SHARP

FINANCIAL RELEASE

FINANCIAL RESULTS
FOR THE YEAR ENDED
MARCH 31, 2011

SHARP CORPORATION

Consolidated Financial Results for the Year Ended March 31, 2011

April 27, 2011

SHARP CORPORATION

Stock exchange listings:	Tokyo, Osaka, Nagoya, Sapporo, Fukuoka
Code number:	6753
URL:	http://www.sharp.co.jp/
Representative:	Mikio Katayama, President
Contact person:	Katsuaki Nomura, Director and Executive Officer Group General Manager, Corporate Accounting and Control Group Tel. +81 6 6621 1221
Scheduled date of the Ordinary General Meeting of Shareholders:	June 23, 2011
Scheduled dividend payment date:	June 24, 2011
Supplementary material:	Yes
Financial results meeting:	Yes

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

1. Results for the Year Ended March 31, 2011

(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 March 31, 2011	3,021,973	+9.7%	78,896	+52.0%	19,401	+341.2%
Year Ended March 31, 2010	2,755,948	-3.2%	51,903	-	4,397	-

[Reference] Comprehensive income : March 31, 2011 ; 4,389 million yen -79.1%
March 31, 2010 ; 20,999 million yen — %

	Net Income per Share (Yen)	Fully Diluted Net Income per Share (Yen)	Net Income to Equity	Operating Income to Net Sales
Year Ended March 31, 2011	17.63	16.47	1.9%	2.6%
Year Ended March 31, 2010	4.00	3.78	0.4%	1.9%

[Reference] Equity in net income of non-consolidated subsidiaries and affiliates : March 31, 2011 ; 3,285 million yen
March 31, 2010 ; 1,292 million yen

(2) Financial Position

Millions of Yen

	Total Assets	Net Assets	Equity Ratio	Net Assets per Share (Yen)
As of March 31, 2011	2,885,678	1,048,645	35.6%	932.46
As of March 31, 2010	2,836,255	1,065,860	36.8%	949.19

[Reference] Equity : March 31, 2011 ; 1,026,033 million yen
March 31, 2010 ; 1,044,507 million yen

(3) Cash Flows

Millions of Yen

	Cash Flows from Operating Activities	Cash Flows from Investing Activities	Cash Flows from Financing Activities	Cash and Cash Equivalents at End of Year
Year Ended March 31, 2011	167,443	(244,613)	(6,254)	241,110
Year Ended March 31, 2010	303,564	(253,805)	(35,441)	328,125

2. Dividends

	Dividends per Share (Yen)					Total Dividend Payment (Millions of Yen)	Pay-out Ratio (Consolidated)	Dividend to Net Assets (Consolidated)
	1st Quarter	2nd Quarter	3rd Quarter	Year-End	Annual			
Year Ended March 31, 2010	-	7.00	-	10.00	17.00	18,707	425.0%	1.8%
Year Ended March 31, 2011	-	10.00	-	7.00	17.00	18,706	96.4%	1.8%

Note: Forecast of dividends has yet to be determined.

3. Forecast of Financial Results for the Year Ending March 31, 2012

Forecast of financial results for the year ending March 31, 2012 has yet to be determined, as it is currently impossible to make a reasonable forecast. For reasons, please refer to "(1) Analysis of financial results (Forecast for fiscal 2011)" of "1. Financial Results" on page 4.

4. Other Information

(1) Changes in significant consolidated subsidiaries (Changes in specified subsidiaries involving changes of scope of consolidation): None

(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: None

(3) Number of shares outstanding (ordinary shares)

1. Number of shares outstanding (including treasury stock)	as of March 31, 2011 ;	1,110,699,887 shares
	as of March 31, 2010 ;	1,110,699,887 shares
2. Number of shares of treasury stock	as of March 31, 2011 ;	10,353,023 shares
	as of March 31, 2010 ;	10,285,175 shares
3. Average number of shares outstanding	during the year ended March 31, 2011 ;	1,100,382,083 shares
	during the year ended March 31, 2010 ;	1,100,444,956 shares

Notes:

1. This financial release is not subject to audit procedures based on the Financial Instruments and Exchange Law in Japan. At the time of disclosure, audit procedures of financial statements based on the Financial Instruments and Exchange Law have not been completed.
2. This financial release contains certain statements about the future, which are based on information currently available and deemed reasonable to the Sharp Group at the time of announcement and actual operating results may differ materially from the forecast due to various factors.
3. 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.

1. Financial Results

(1) Analysis of financial results

i. Financial results for fiscal 2010

During the year ended March 31, 2011, the Japanese economy showed signs of a partial recovery, supported by government stimulus packages and burgeoning demand in emerging countries. However, the economy as a whole became increasingly severe, facing difficulties that included an appreciation of the yen, deepening deflation and the tremendous damage inflicted by the Great East Japan Earthquake, which occurred on March 11, 2011. Overseas, economies in Asia, notably China, continued strong growth. Economies in the U.S. and Europe showed signs of a moderate recovery, although factors such as soaring prices of crude oil, caused by political instability in the Middle East and North Africa, led to growing uncertainty.

Under these circumstances, the Sharp Group took steps to enhance international competitiveness, by proceeding with the establishment of a local production for local consumption business model, in which we manufacture and sell products tailored to market needs in the consumption area. At the same time, we worked to develop energy-saving and energy-creating products and to expand business, in order to contribute even more actively to realizing a green society, guided by our corporate vision of becoming an Eco-Positive Company*.

In the Consumer/Information Products business, we worked to expand sales of AQUOS Quattron LCD TVs and high-image-quality, 3D-compatible Blu-ray Disc recorders. In mobile phones, we enhanced our lineup with the introduction in Japan of smartphones equipped with open source OS. In “GALAPAGOS” business, which integrates our proprietary terminals and network services, e-bookstore service was expanded to include smartphones. In health and environmental equipment, we took steps to expand business globally, by increasing our lineup of products featuring Plasmacluster Ion technology, such as air conditioners, refrigerators and vacuum cleaners. In information equipment, we made efforts to create the market for super-size LCD products, through the launch of multi-screen display systems that realize significantly thinner system frames. We also worked to strengthen our B2B business with an enhanced lineup of digital full-color MFPs, which feature a user-friendly interface and high performance.

In the Electronic Components business, we responded to growing demand for small- and medium-size LCDs used in smartphones, tablet terminals and game consoles, by increasing sales of high-resolution LCDs and 3D LCDs. In solar cells, we started mass production of new single crystalline solar cells with high conversion efficiency at a solar cell plant in GREEN FRONT SAKAI. The new cells employ Back Contact structure, which eliminates the need for electrodes on the light-receiving surface. Moreover, we acquired Recurrent Energy, LLC, a leading solar project developer in the U.S., as a wholly-owned subsidiary and pushed ahead with our efforts as a total solutions company.

Consolidated financial results for the current fiscal year recorded net sales of 3,021.9 billion yen, up 9.7% over the previous year. We achieved a significant improvement in profits, with operating income of 78.8 billion yen, up 52.0% and net income of 19.4 billion yen, 4.4 times that of the previous year.

Operating results by product group are as follows:

Consumer/Information Products

Sales of Audio-Visual and Communication Equipment were 1,426.2 billion yen, up 7.1% over the previous year. Sales increased significantly for LCD TVs and Blu-ray Disc recorders, the former benefitting from the effect of the Eco-Point Program in Japan.

Sales of Health and Environmental Equipment were 269.8 billion yen, up 10.6%. Sales of refrigerators and air conditioners increased.

Sales of Information Equipment were 273.9 billion yen, up 2.6%. Sales of digital full-color MFPs were strong.

Electronic Components

Sales of LCDs were 614.3 billion yen, up 20.8%. Demand was strong for large-size LCD panels for TVs, which reflects the effect of the Eco-Point Program, and also for small- and medium-size LCDs used in smartphones, tablet terminals and game consoles.

Sales of Solar Cells were 265.4 billion yen, up 27.2%. Sales were brisk both in Japan and overseas.

Sales of Other Electronic Devices were 172.1 billion yen, down 11.9%. Price of devices for digital products declined.

*A company that aims to create solutions, in cooperation with all stakeholders, that have significantly more positive impact on the environment than negative impact caused by the company's operations.

ii. Forecast for fiscal 2011

As for the future outlook, we expect the business environment to become more severe than ever, due to the impact of the Great East Japan Earthquake on supply chains of manufacturers, a further decline in consumer confidence and a rise in the price of natural resources.

In order to respond to these difficulties, we will make efforts for stable production by securing necessary parts and components, while focusing on creation of uniquely-featured products with energy-saving and energy-creating features, such as solar-applied products, LED lights and other home appliances that consume less electricity, for which demand growth is anticipated. Additionally, we will work on a restructuring of LCD business, centered on reviewing models produced at each plant and thus building an optimum production framework. We will also work to reinforce our business foundation by further promoting local production for local consumption and implementing thorough cost reduction company-wide.

It is extremely difficult at this time to reasonably estimate the impact of the earthquake on our financial results, which will be broad across our entire business activities from production to sales. Therefore, we decided to postpone the announcement of the forecast of financial results for the year ending March 31, 2012. The forecast of financial results will be disclosed when the outlook becomes clearer.

(2) Analysis of financial position

Total assets as of March 31, 2011 were 2,885.6 billion yen, up 49.4 billion yen from March 31, 2010, due mainly to an increase in inventories resulting from business expansion. Total liabilities were 1,837.0 billion yen, up 66.6 billion yen, due mainly to an increase in borrowings resulting from business expansion. Total net assets were 1,048.6 billion yen, down 17.2 billion yen, due mainly to a decrease in valuation and translation adjustments.

Regarding cash flows, net cash provided by operating activities was 167.4 billion yen, while net cash used in investing activities was 244.6 billion yen. Net cash used in financing activities was 6.2 billion yen. As a result, cash and cash equivalents at the end of the year were 241.1 billion yen, a decrease of 87.0 billion yen from March 31, 2010.

(3) Basic policy on distribution of earnings and dividends for fiscal 2010/2011

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 implement a set of measures to return profits to our shareholders. For fiscal 2010, we intend to distribute a year-end dividend of 7 yen per share, considering the basic policy mentioned above. The total annual dividend will be 17 yen per share.

The forecast of an annual dividend for fiscal 2011 has not been determined yet, and we will make decisions considering future results and financial situation in a comprehensive manner.

2. 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.

Currently, the world faces a major paradigm shift, such as transition to a low-carbon society reflecting global environmental issues, and a change in the global decision-making structure. With the rise of emerging countries, the G20 is replacing the G7, the main economic council of industrialized nations.

Under these circumstances, we have established two visions for the 2012 centennial anniversary of our foundation: "Contribute to the world with environment and health conscious business, focusing on energy-saving and energy-creating products" and "Contribute to ubiquitous society with one-of-a-kind LCDs." We have also set a corporate vision of becoming an Eco-Positive Company, to contribute to environmental protection while pursuing our business activity of creating electronics products.

Meanwhile, in the electronics industry, severer global competition, as well as changes in communication, networking and other forms of infrastructure, make it difficult to ensure profitability and maintain sales growth, by sticking with a conventional business model.

Rising to the challenge, we are reinforcing overseas development through the establishment of business groups in geographical areas of strategic importance. We will also change our conventional business model, in which we have been concentrating our efforts on the developed country markets and seeking to enhance the value of each product. In developed countries, we will move away from our dependence on selling stand-alone products, and focus on B2B and total solutions business. In emerging countries, we will establish a business model which meets market needs. This is to be achieved by actively promoting local personnel, as well as innovating cost structure by pushing ahead with local procurement, product design and production.

Up until now, we have focused our management resources on production activities, but going forward, we intend to strengthen our efforts both up and down the value chain, including upstream areas such as R&D and downstream areas such as marketing. Through these efforts, we will enhance investment efficiency and profitability. Specifically, we are promoting an alliance on solar cells with Enel SpA in Italy and working on an LCD panel production project in China as a move toward implementing a new business model. We are also pursuing a B2B solution business project, and will step up these activities with the aim of establishing a new business portfolio.

We will make efforts to enhance corporate value, by accelerating implementation of these measures and actively operating our business. Meanwhile, we will work to improve ROI (return on investment) and free cash flows as the main management indicators, through efficient capital investment and a reduction in total costs.

3. Consolidated Financial Statements

(1) Consolidated Balance Sheets

Millions of Yen

	As of March 31, 2010	As of March 31, 2011
ASSETS		
Current Assets:		
Cash, time deposits, and short-term investments	348,414	247,888
Notes and accounts receivable, less allowance for doubtful receivables	536,718	574,696
Inventories	411,263	486,060
Other current assets	121,140	213,906
Total current assets	1,417,535	1,522,550
Plant and Equipment, Less Accumulated Depreciation	1,027,604	964,914
Investments and Other Assets	386,763	394,980
Deferred Assets	4,353	3,234
Total assets	2,836,255	2,885,678
LIABILITIES		
Current Liabilities:		
Short-term borrowings, including current portion of long-term debt	302,184	287,330
Notes and accounts payable	653,153	602,081
Other current liabilities	268,569	356,502
Total current liabilities	1,223,906	1,245,913
Long-term Liabilities	546,489	591,120
Total liabilities	1,770,395	1,837,033
NET ASSETS		
Owners' Equity:		
Common stock	204,676	204,676
Capital surplus	268,534	268,530
Retained earnings	649,795	648,935
Less cost of treasury stock	(13,805)	(13,863)
Total owners' equity	1,109,200	1,108,278
Accumulated Other Comprehensive Income:		
Net unrealized holding gains (losses) on securities	7,372	5,915
Deferred gains (losses) on hedges	218	(1,028)
Foreign currency translation adjustments	(72,283)	(85,317)
Pension liability adjustment of foreign subsidiaries	-	(1,815)
Total accumulated other comprehensive income	(64,693)	(82,245)
Minority Interests	21,353	22,612
Total net assets	1,065,860	1,048,645
Total liabilities and net assets	2,836,255	2,885,678

(2) Consolidated Statements of Income / Consolidated Statements of Comprehensive Income

- Consolidated Statements of Income

Millions of Yen

	Year Ended March 31, 2010	Year Ended March 31, 2011
Net Sales	2,755,948	3,021,973
Cost of Sales	2,229,510	2,452,345
Gross profit	526,438	569,628
Selling, General and Administrative Expenses	474,535	490,732
Operating income	51,903	78,896
Other Income (Expenses)		
Interest income	2,238	2,004
Rent income on noncurrent assets	12,328	12,094
Foreign exchange gains	0	10,247
Equity in earnings of affiliates	1,292	3,285
Gain on sales of noncurrent assets	152	156
Gain on abolishment of retirement benefit plan	-	1,631
Interest expense	(7,190)	(7,712)
Interest on commercial papers	(604)	(289)
Rent expense on noncurrent assets	(9,455)	(9,449)
Loss on sales and retirement of noncurrent assets	(4,930)	(7,376)
Restructuring charges	(20,078)	(12,655)
Other, net	(19,517)	(29,952)
	(45,764)	(38,016)
Income before income taxes and minority interests	6,139	40,880
Income Taxes		
Current	15,092	26,927
Deferred	(15,090)	(7,244)
	2	19,683
Income before minority interests	-	21,197
Minority Interests in Income of Consolidated Subsidiaries	(1,740)	(1,796)
Net income	4,397	19,401

- Consolidated Statements of Comprehensive Income

Millions of Yen

	Year Ended March 31, 2010	Year Ended March 31, 2011
Income before minority interests	-	21,197
Other comprehensive income:		
Net unrealized holding gains (losses) on securities	-	(1,460)
Deferred gains (losses) on hedges	-	(1,246)
Foreign currency translation adjustments	-	(13,254)
Pension liability adjustment of foreign subsidiaries	-	(612)
Share of other comprehensive income of affiliates accounted for using equity method	-	(236)
Total other comprehensive income	-	(16,808)
Comprehensive income	-	4,389
Comprehensive income attributable to:		
Owners of the parent	-	3,052
Minority interests	-	1,337

(3) Consolidated Statements of Changes in Net Assets

Year Ended March 31, 2010 Millions of Yen

	Owners' Equity			
	Common stock	Capital surplus	Retained earnings	Less cost of treasury stock
Balance at March 31, 2009	204,676	268,538	664,924	(13,740)
Effect of changes in accounting policies applied to foreign affiliates accounted for by equity method				
Transfer to pension liability adjustment of foreign subsidiaries from retained earnings				
Changes of items during the period				
Dividends from surplus			(15,406)	
Net income			4,397	
Change of scope of consolidation			(1,090)	
Change of scope of equity method			(26)	
Effect resulting from change of accounting period of subsidiaries			(1,956)	
Effect of unfunded retirement benefit obligation of foreign subsidiaries			(1,048)	
Purchase of treasury stock				(80)
Disposal of treasury stock		(4)		15
Net changes of items other than owners' equity				
Total changes of items during the period	-	(4)	(15,129)	(65)
Balance at March 31, 2010	204,676	268,534	649,795	(13,805)

	Accumulated Other Comprehensive Income				Minority Interests	Total Net Assets
	Net unrealized holding gains (losses) on securities	Deferred gains (losses) on hedges	Foreign currency translation adjustments	Pension liability adjustment of foreign subsidiaries		
Balance at March 31, 2009	(1,946)	(9,142)	(74,196)	-	9,333	1,048,447
Effect of changes in accounting policies applied to foreign affiliates accounted for by equity method						-
Transfer to pension liability adjustment of foreign subsidiaries from retained earnings						-
Changes of items during the period						
Dividends from surplus						(15,406)
Net income						4,397
Change of scope of consolidation						(1,090)
Change of scope of equity method						(26)
Effect resulting from change of accounting period of subsidiaries						(1,956)
Effect of unfunded retirement benefit obligation of foreign subsidiaries						(1,048)
Purchase of treasury stock						(80)
Disposal of treasury stock						11
Net changes of items other than owners' equity	9,318	9,360	1,913		12,020	32,611
Total changes of items during the period	9,318	9,360	1,913	-	12,020	17,413
Balance at March 31, 2010	7,372	218	(72,283)	-	21,353	1,065,860

Year Ended March 31, 2011 Millions of Yen

	Owners' Equity			
	Common stock	Capital surplus	Retained earnings	Less cost of treasury stock
Balance at March 31, 2010	204,676	268,534	649,795	(13,805)
Effect of changes in accounting policies applied to foreign affiliates accounted for by equity method			(14)	
Transfer to pension liability adjustment of foreign subsidiaries from retained earnings			1,203	
Changes of items during the period				
Dividends from surplus			(22,008)	
Net income			19,401	
Change of scope of consolidation			(438)	
Change of scope of equity method			996	
Effect resulting from change of accounting period of subsidiaries				
Effect of unfunded retirement benefit obligation of foreign subsidiaries				
Purchase of treasury stock				(68)
Disposal of treasury stock		(4)		10
Net changes of items other than owners' equity				
Total changes of items during the period	-	(4)	(2,049)	(58)
Balance at March 31, 2011	204,676	268,530	648,935	(13,863)

	Accumulated Other Comprehensive Income				Minority Interests	Total Net Assets
	Net unrealized holding gains (losses) on securities	Deferred gains (losses) on hedges	Foreign currency translation adjustments	Pension liability adjustment of foreign subsidiaries		
Balance at March 31, 2010	7,372	218	(72,283)	−	21,353	1,065,860
Effect of changes in accounting policies applied to foreign affiliates accounted for by equity method						(14)
Transfer to pension liability adjustment of foreign subsidiaries from retained earnings				(1,203)		0
Changes of items during the period						
Dividends from surplus						(22,008)
Net income						19,401
Change of scope of consolidation						(438)
Change of scope of equity method						996
Effect resulting from change of accounting period of subsidiaries						0
Effect of unfunded retirement benefit obligation of foreign subsidiaries						0
Purchase of treasury stock						(68)
Disposal of treasury stock						6
Net changes of items other than owners' equity	(1,457)	(1,246)	(13,034)	(612)	1,259	(15,090)
Total changes of items during the period	(1,457)	(1,246)	(13,034)	(612)	1,259	(17,201)
Balance at March 31, 2011	5,915	(1,028)	(85,317)	(1,815)	22,612	1,048,645

(4) Consolidated Statements of Cash Flows

Millions of Yen

	Year Ended March 31, 2010	Year Ended March 31, 2011
Cash Flows from Operating Activities:		
Income before income taxes and minority interests	6,139	40,880
Adjustments to reconcile income before income taxes and minority interests to net cash provided by operating activities－		
Depreciation and amortization of properties and intangibles	264,429	272,081
Interest and dividend income	(3,547)	(3,119)
Interest expenses and interest on commercial papers	7,794	8,001
Foreign exchange losses (gains)	3,609	(938)
Loss on sales and retirement of noncurrent assets	4,930	7,376
Decrease (increase) in notes and accounts receivable-trade	(87,301)	26,872
Increase in inventories	(22,250)	(83,749)
Increase in accounts receivable-other	(9,853)	(85,492)
(Decrease) increase in payables	131,698	(762)
Other, net	2,870	18,095
Total	298,518	199,245
Interest and dividends received	4,041	3,664
Interest paid	(7,551)	(8,148)
Income taxes (paid) refund	8,556	(27,318)
Net cash provided by operating activities	303,564	167,443
Cash Flows from Investing Activities:		
Purchase of time deposits	(39,764)	(13,200)
Proceeds from redemption of time deposits	39,138	31,641
Purchase of investments in subsidiaries resulting in change in scope of consolidation	-	(24,524)
Acquisitions of plant and equipment	(222,772)	(195,404)
Proceeds from sales of plant and equipment	1,910	992
Purchase of investment securities	(4,101)	(9,738)
Proceeds from sales of investment securities	1,207	130
Loans made	(226,114)	(4,448)
Proceeds from collection of loans	226,281	439
Other, net	(29,590)	(30,501)
Net cash used in investing activities	(253,805)	(244,613)
Cash Flows from Financing Activities:		
Increase (decrease) in short-term borrowings, net	(171,315)	7,328
Proceeds from long-term debt	157,174	85,725
Repayments of long-term debt	(15,634)	(78,162)
Purchase of treasury stock	(80)	(68)
Dividends paid	(15,411)	(21,999)
Other, net	9,825	922
Net cash used in financing activities	(35,441)	(6,254)
Effect of Exchange Rate Changes on Cash and Cash Equivalents	(4,187)	(3,790)
Net (Decrease) Increase in Cash and Cash Equivalents	10,131	(87,214)
Cash and Cash Equivalents at Beginning of Year	317,358	328,125
Cash and Cash Equivalents of Newly Consolidated Subsidiaries	228	199
Cash and Cash Equivalents Increased by Merger	69	0
Increase in Cash and Cash Equivalents Resulting from Change of Accounting Period of Subsidiaries	339	0
Cash and Cash Equivalents at End of Year	328,125	241,110

(5) Going Concern Assumption

None

(6) 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

Inventories held by Sharp (“the Company”) and its domestic consolidated subsidiaries are primarily stated at moving average cost (for the book value of inventories on the balance sheets, by writing inventories down based on their decrease in profitability of assets).

For overseas consolidated subsidiaries, inventories are stated at the lower of moving average cost or market.

3) Method of Depreciation for Property, Plant and Equipment (Except for Lease Assets)

For the Company and its domestic consolidated subsidiaries, depreciation is based on the declining-balance method, except for machinery and equipment at LCD plants in Mie, Kameyama and Sakai, and buildings (excluding attached structure) acquired on and after April 1, 1998, which are depreciated on the straight-line method.

Overseas consolidated subsidiaries use the straight-line method.

4) Method of Amortization for Intangible Assets (Except for Lease Assets)

Amortization is based on the straight-line method.

Software used by the Company is amortized by the straight-line method over an estimated useful life of principally five years, however, software embedded in products is amortized over the forecasted sales quantity.

5) Method of Depreciation for Lease Assets

Finance leases that do not transfer ownership

Depreciation is based on the straight-line method that takes the lease period as the depreciable life and the residual value as zero.

Regarding finance leases of the Company and its domestic consolidated subsidiaries that do not transfer ownership, for which the starting date for the lease transaction is prior to March 31, 2008, lease payments are recognized as expenses.

6) Method of Amortization for Deferred Assets

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

7) Method of Appropriation for Allowance for Doubtful Receivables

The estimated amounts of allowance for general receivables are primarily determined based on the past loss experience. For particular receivables, including those from debtors at risk of bankruptcy, the allowance is provided for individually estimated unrecoverable amounts.

8) Method of Appropriation for Accrued Bonuses

The reserve for payment of employees’ bonuses is set aside based on estimated amounts to be paid in the subsequent period.

9) Method of Appropriation for Warranty Reserve

Estimated amounts of warranty are accrued based on the past experience.

10) Method of 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.

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 consolidated fiscal year.

11) Method and Period of Amortization for Goodwill

Goodwill for which the effective term is possible to be estimated is amortized evenly over the estimated terms, while the other is amortized evenly over five years. However, if the amount is minor, the entire amount is amortized during the period of occurrence.

12) Scope of Cash and Cash Equivalents in Consolidated Statements of Cash Flows

Cash and cash equivalents in Consolidated Statements of Cash Flows include cash on hand, deposits on demand placed with banks and highly liquid investments with insignificant risk of changes in value which have maturities of three months or less when purchased.

13) Accounting for Consumption Taxes, etc.

The tax exclusion method is applied.

14) Adoption of Consolidated Tax Return System

The consolidated tax return system is adopted.

(7) Changes in Important Matters on Presenting Consolidated Financial Statements

Accounting Standard for Equity Method of Accounting for Investments

Effective for the year ended March 31, 2011, the Company and its domestic consolidated subsidiaries have applied the "Accounting Standard for Equity Method of Accounting for Investments" (Accounting Standards Board of Japan (ASBJ) Statement No. 16, issued by the ASBJ on March 10, 2008) and the "Practical Solution on Unification of Accounting Policies Applied to Associates Accounted for Using the Equity Method" (ASBJ PITF No. 24, issued by the ASBJ on March 10, 2008) and made revisions required for consolidated accounting.

This change had an immaterial impact on financial statements.

Accounting Standards for Asset Retirement Obligations

Effective for the year ended March 31, 2011, the Company and its domestic consolidated subsidiaries have applied the "Accounting Standard for Asset Retirement Obligations" (ASBJ Statement No. 18, issued by the ASBJ on March 31, 2008) and the "Guidance on Accounting Standard for Asset Retirement Obligations" (ASBJ Guidance No. 21, issued by the ASBJ on March 31, 2008).

This change had an immaterial impact on financial statements.

Accounting Standard for Business Combinations

Effective for the year ended March 31, 2011, the Company and its domestic consolidated subsidiaries have applied the "Accounting Standard for Business Combinations" (ASBJ Statement No.21, issued by the ASBJ on December 26, 2008), the "Accounting Standard for Consolidated Financial Statements" (ASBJ Statement No.22, issued by the ASBJ on December 26, 2008), the "Partial Amendments to Accounting Standard for Research and Development Costs" (ASBJ Statement No.23, issued by the ASBJ on December 26, 2008), the "Revised Accounting Standard for Business Divestitures" (ASBJ Statement No.7, issued by the ASBJ on December 26, 2008), the "Revised Accounting Standard for Equity Method of Accounting for Investments" (ASBJ Statement No.16, issued by the ASBJ on December 26, 2008), and the "Revised Guidance on Accounting Standard for Business Combinations and Accounting Standard for Business Divestitures" (ASBJ Guidance No.10, issued by the ASBJ on December 26, 2008).

(8) Additional Information

Adoption of Accounting Standard for Presentation of Comprehensive Income

Effective for the year ended March 31, 2011, the Company has applied the “Accounting Standard for Presentation of Comprehensive Income” (ASBJ Statement No.25, issued by the ASBJ on June 30, 2010). However, the amount of accumulated other comprehensive income and total accumulated other comprehensive income for the previous fiscal year represented the amount of valuation and translation adjustments and total valuation and translation adjustments.

(9) Notes to Consolidated Financial Statements

(Segment Information)

[Segment information]

1. Outline of reportable segments

The Sharp Group’s reportable segments are components of the Group whose operating results are regularly reviewed by the Board of Directors to make decisions about resources to be allocated to the segments and assess their performance, for which discrete financial information is available.

The Group’s reportable segments consist of Consumer/Information Products and Electronic Components, based on a classification by commonality in manufacturing and marketing method of products.

Consumer/Information Products business involves production and sales of electric communication equipment, electric equipment and electronic application equipment, while Electronic Components business involves production and sales/supply of electronic components for other companies or Consumer/Information Products business divisions within the Group.

Main products in each business are as follows.

Business classification	Main products
Consumer/Information Products	LCD color televisions, color televisions, projectors, DVD recorders, Blu-ray Disc recorders, mobile phones, mobile communications handsets, electronic dictionaries, facsimiles, refrigerators, microwave ovens, air conditioners, washing machines, vacuum cleaners, air purifiers, Plasmacluster Ion generators, digital MFPs (multi-function printers)
Electronic Components	TFT LCD modules, System LCD modules, crystalline solar cells, thin-film solar cells, CCD/CMOS imagers, LSIs for LCDs, microprocessors, components for satellite broadcasting, terrestrial digital tuners, RF modules, LEDs, optical pickups, components for optical communications

2. Measurement of sales and income (loss) by reportable segment

The accounting policies for the reportable segments are basically the same as those described in Important Matters on Presenting Consolidated Financial Statements. Intersegment sales and income (loss) are recognized based on the current market price.

3. Information regarding sales and income (loss) by reportable segment

Millions of Yen

	Year Ended March 31, 2010
Net Sales	
Consumer/Information Products	
Customers	1,843,139
Intersegment	349
Total	1,843,488
Electronic Components	
Customers	912,809
Intersegment	462,976
Total	1,375,785
Adjustments	(463,325)
The amount presented in Consolidated Statements of Income	2,755,948
Segment Income	
Consumer/Information Products	53,095
Electronic Components	35,086
Adjustments*1	(36,278)
The amount presented in Consolidated Statements of Income*2	51,903

Notes: 1. Adjustments of segment income of (36,278) million yen include elimination of intersegment transactions of (1,967) million yen and corporate expenses not allocated to each reportable segment of (37,237) million yen. Corporate expenses are mainly attributable to basic R&D expenses and expenses related to parent company's functional groups.
2. Adjustments were made to reconcile segment income to operating income presented in Consolidated Statements of Income.
3. Electronic Components segment includes production and sales of dies and molds, as well as installation work of air conditioners and electric facilities.

Millions of Yen

	Year Ended March 31, 2011
Net Sales	
Consumer/Information Products	
Customers	1,969,988
Intersegment	582
Total	1,970,570
Electronic Components	
Customers	1,051,985
Intersegment	502,032
Total	1,554,017
Adjustments	(502,614)
The amount presented in Consolidated Statements of Income	3,021,973
Segment Income	
Consumer/Information Products	79,257
Electronic Components	30,728
Adjustments*1	(31,089)
The amount presented in Consolidated Statements of Income*2	78,896

Notes: 1. Adjustments of segment income of (31,089) million yen include elimination of intersegment transactions of 3,083 million yen and corporate expenses not allocated to each reportable segment of (35,880) million yen. Corporate expenses are mainly attributable to basic R&D expenses and expenses related to parent company's functional groups.
2. Adjustments were made to reconcile segment income to operating income presented in Consolidated Statements of Income.
3. Electronic Components segment includes production and sales of dies and molds, as well as installation work of air conditioners and electric facilities.

(Additional information)

Effective for the year ended March 31, 2011, the "Accounting Standard for Disclosures about Segments of an Enterprise and Related Information" (ASBJ Statement No. 17, issued by the ASBJ on March 27, 2009) and the "Guidance on Accounting Standard for Disclosures about Segments of an Enterprise and Related Information" (ASBJ Guidance No. 20, issued by the ASBJ on March 21, 2008) have been applied.

[Related information]

Year ended March 31, 2011

1. Information by product/service

Millions of Yen

	LCD Color TVs	LCDs	Mobile Phones	Others	Total
Sales to Outside Customers	803,592	614,373	413,277	1,190,731	3,021,973

2. Information by region/country

1) Sales

Millions of Yen

Japan	China	Others	Total
1,592,909	516,977	912,087	3,021,973

Note: Sales are classified according to regions or countries where customers are located.

2) Noncurrent assets

Millions of Yen

Japan	Overseas	Total
870,320	94,594	964,914

(Reference)

Following is the results for the year ended March 31, 2010, which have been restated to conform with the standard adopted in the year ended March 31, 2011.

Year ended March 31, 2010

1. Information by product/service

Millions of Yen

	LCD Color TVs	LCDs	Mobile Phones	Others	Total
Sales to Outside Customers	666,863	508,630	454,418	1,126,037	2,755,948

2. Information by region/country

1) Sales

Millions of Yen

Japan	China	Others	Total
1,429,057	422,881	904,010	2,755,948

Note: Sales are classified according to regions or countries where customers are located.

2) Noncurrent assets

Millions of Yen

Japan	Overseas	Total
929,250	98,354	1,027,604

(Per Share Information)

Yen

	Year Ended March 31, 2010	Year Ended March 31, 2011
Net assets per share	949.19	932.46
Net income per share	4.00	17.63
Fully diluted net income per share	3.78	16.47

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

	Year Ended March 31, 2010	Year Ended March 31, 2011
Net income per share		
Net income (millions of yen)	4,397	19,401
Amounts not allocated to ordinary shares (millions of yen)	-	-
Net income allocated to ordinary shares (millions of yen)	4,397	19,401
Average number of ordinary shares outstanding during each year (thousands of shares)	1,100,444	1,100,382
Fully diluted net income per share		
Adjustment to net income (millions of yen)	62	20
Amortization of bond issue cost, etc. (after deduction of tax credit, millions of yen)	62	20
Increase in number of ordinary shares (thousands of shares)	79,018	79,018
Bonds with subscription rights to shares (thousands of shares)	79,018	79,018
Residual securities which do not dilute net income per share	-	-

(Significant Subsequent Events)

None

(Omission of Disclosure)

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

4. Supplementary Data

(1) Consolidated Sales by Product Group

Millions of Yen

	Year Ended March 31, 2010		Year Ended March 31, 2011		Increase Decrease	Percent Change
	Amount	Ratio	Amount	Ratio		
		%		%		%
Audio - Visual and Communication Equipment	1,332,129	48.3	1,426,243	47.2	+ 94,114	+7.1
Health and Environmental Equipment	244,090	8.9	269,845	8.9	+ 25,755	+10.6
Information Equipment	266,920	9.7	273,900	9.1	+ 6,980	+2.6
Consumer/Information Products	1,843,139	66.9	1,969,988	65.2	+ 126,849	+6.9
LCDs	508,630	18.5	614,373	20.3	+ 105,743	+20.8
Solar Cells	208,732	7.6	265,492	8.8	+ 56,760	+27.2
Other Electronic Devices	195,447	7.0	172,120	5.7	- 23,327	-11.9
Electronic Components	912,809	33.1	1,051,985	34.8	+ 139,176	+15.2
Total	2,755,948	100.0	3,021,973	100.0	+ 266,025	+9.7
Domestic	1,429,057	51.9	1,592,909	52.7	+ 163,852	+11.5
Overseas	1,326,891	48.1	1,429,064	47.3	+ 102,173	+7.7

Note: The above figures indicate sales to outside customers.

(2) Information by Product Group

Effective for the year ended March 31, 2011 , the “Accounting Standard for Disclosures about Segments of an Enterprise and Related Information” (ASBJ Statement No. 17, issued by the ASBJ on March 27, 2009) and the “Guidance on Accounting Standard for Disclosures about Segments of an Enterprise and Related Information” (ASBJ Guidance No. 20, issued by the ASBJ on March 21, 2008) have been applied. Results for the year ended March 31, 2010 have been restated to conform with the standard applied in the year ended March 31, 2011 and are presented for reference.
The breakdown of the reportable segments, which consist of Consumer/Information Products and Electronic Components, is also presented for reference.

〈Net Sales〉

Millions of Yen

	Year Ended March 31, 2010		Year Ended March 31, 2011		Percent Change
	Amount	Ratio	Amount	Ratio	
		%		%	%
Audio - Visual and Communication Equipment	1,332,357	48.3	1,426,734	47.2	+7.1
Health and Environmental Equipment	244,183	8.9	269,883	8.9	+10.5
Information Equipment	266,948	9.7	273,953	9.1	+2.6
Consumer/Information Products	1,843,488	66.9	1,970,570	65.2	+6.9
LCDs	877,870	31.8	1,026,959	34.0	+17.0
Solar Cells	208,758	7.6	265,538	8.8	+27.2
Other Electronic Devices	289,157	10.5	261,520	8.6	-9.6
Electronic Components	1,375,785	49.9	1,554,017	51.4	+13.0
Sub Total	3,219,273	116.8	3,524,587	116.6	+9.5
Adjustments	(463,325)	-16.8	(502,614)	-16.6	-
Total	2,755,948	100.0	3,021,973	100.0	+9.7

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

〈Operating Income〉

Millions of Yen

	Year Ended March 31, 2010		Year Ended March 31, 2011		Percent Change
	Amount	Ratio	Amount	Ratio	
		%		%	%
Audio - Visual and Communication Equipment	15,562	30.0	40,745	51.7	+161.8
Health and Environmental Equipment	16,269	31.3	19,957	25.3	+22.7
Information Equipment	21,264	41.0	18,555	23.5	-12.7
Consumer/Information Products	53,095	102.3	79,257	100.5	+49.3
LCDs	18,335	35.3	17,085	21.6	-6.8
Solar Cells	5,095	9.8	2,105	2.7	-58.7
Other Electronic Devices	11,656	22.5	11,538	14.6	-1.0
Electronic Components	35,086	67.6	30,728	38.9	-12.4
Sub Total	88,181	169.9	109,985	139.4	+24.7
Adjustments	(36,278)	-69.9	(31,089)	-39.4	-
Total	51,903	100.0	78,896	100.0	+52.0