



## **Consolidated Financial Results for the Second Quarter Fiscal 2011**

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SHARP CORPORATION

October 27, 2011

#### **Forward-Looking Statements**

This presentation material contains certain statements describing the future plans, strategies and performance of Sharp Corporation and its consolidated subsidiaries (hereinafter "Sharp"). These statements are not based on historical or present fact, but rather assumptions and estimates based on information currently available. These future plans, strategies and performance are subject to known and unknown risks, uncertainties and other factors. Sharp's actual performance, business activities and financial position may differ materially from the assumptions and estimates provided on account of such risks, uncertainties and other factors. Sharp is under no obligation to update these forward-looking statements in light of new information, future events or any other factors. The risks, uncertainties and other factors that could affect actual results include, but are not limited to:

- (1) The economic situation in which Sharp operates
- (2) Sudden, rapid fluctuations in demand for Sharp's products and services, as well as intense price competition
- (3) Changes in exchange rates (particularly between the yen and the U.S. dollar, the euro and other currencies)
- (4) Regulations such as trade restrictions in other countries
- (5) Litigation and other legal proceedings against Sharp
- (6) Rapid technological changes in products and services, etc.

\*Amounts less than 100 million yen shown in this presentation material have been rounded down.

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## Summary of Financial Results for 2Q FY2011

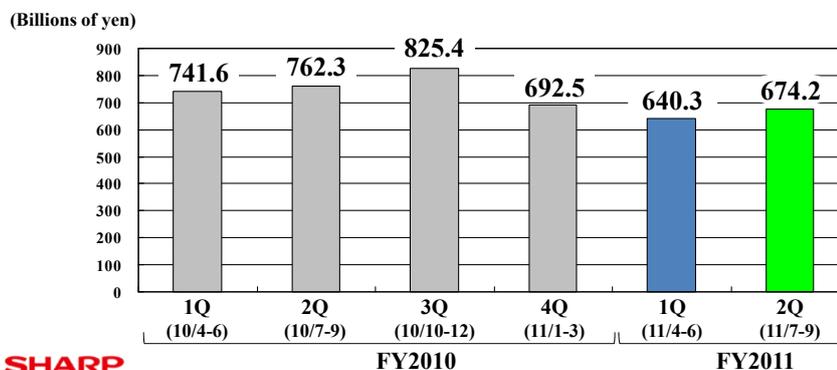
- Results for 2Q marked higher sales and higher income compared to 1Q
- In particular, operating income was 8.5 times that of 1Q, and net income made a significant recovery from the net loss in 1Q
- With respect to the previous forecast, Sharp did not achieve sales projections for 1H due to the economic slowdown in the major markets including U.S., Europe and China, turmoil in financial markets and the impact of price decline. However, Sharp were able to achieve results nearly in line with projections for both operating and net income

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## I . Financial Results for the Second Quarter

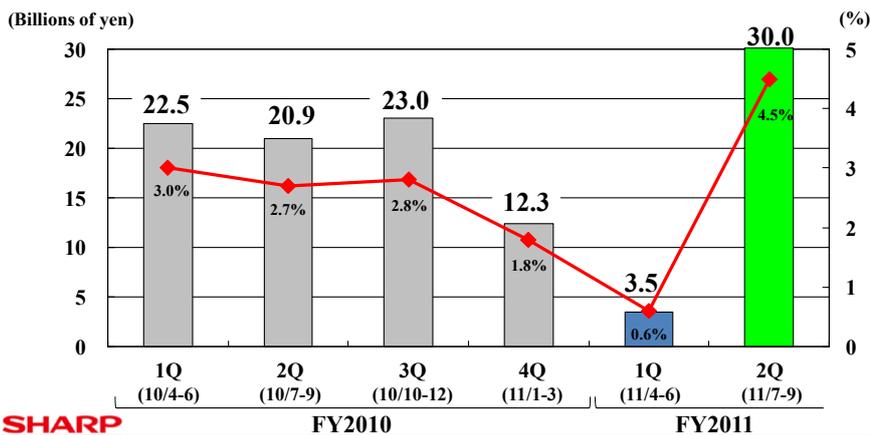
### Net Sales

	FY2011		
	Apr. – Jun.	Jul. – Sep.	Change
<b>Net Sales</b> (Billions of yen)	<b>640.3</b>	<b>674.2</b>	<b>+5.3%</b>



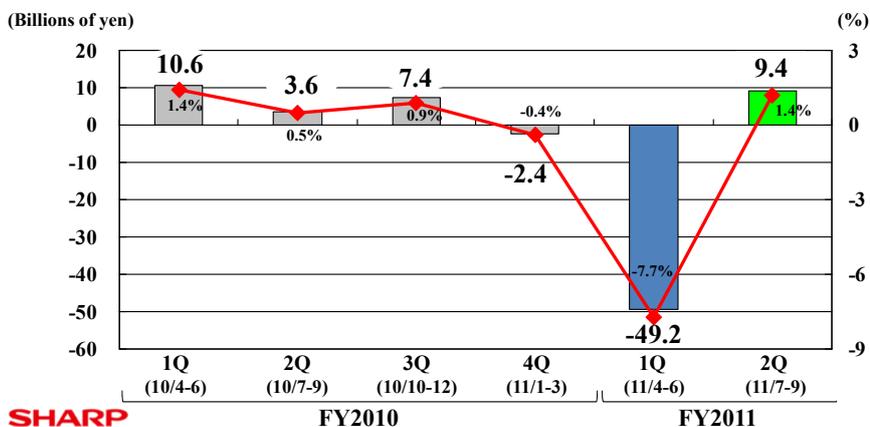
## Operating Income

	FY2011		
	Apr. – Jun.	Jul. – Sep.	Change
	<b>Operating Income</b> (Billions of yen) Ratio	<b>3.5</b> 0.6%	<b>30.0</b> 4.5%



## Net Income

	FY2011		
	Apr. – Jun.	Jul. – Sep.	Change
	<b>Net Income (Billions of yen)</b> Ratio	<b>-49.2</b> -7.7%	<b>9.4</b> 1.4%



## Comparison of Previous Forecast and Financial Results for 2Q FY2011

(Billions of yen)

	FY2011 Apr. – Sep.		
	Previous Forecast (As of Jun. 3)	Results	Difference
Net Sales	1,480.0	1,314.5	-165.4
Operating Income	32.0	33.5	+1.5
Net Income	-37.0	-39.8	-2.8

Exchange Rate (Average)

(Yen)

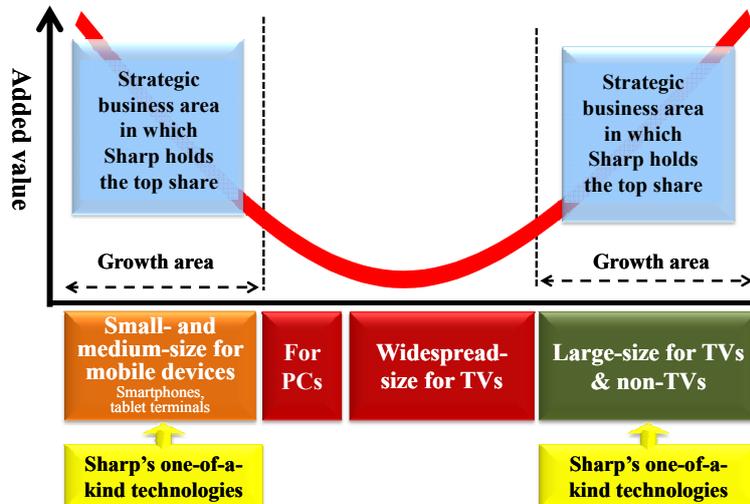
	FY2010 Apr. – Sep.	FY2011 Full Year Prev. Forecast (Jun. 3)	FY2011 Apr. – Sep.
U.S. Dollar	87.96	83.00	78.82
Euro	112.36	118.00	112.30

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## Concept of LCD Business Restructuring

Strengthening its mobile LCD business with  
Kameyama Plant as the production hub

Expanding its large-size LCD business  
for TVs & non-TVs



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## Progress of LCD Business Restructuring



- LCD business returned to profitability with significant improvement in operating income
- LCD TV business remained profitable

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- Rapid recovery of business performance from 1Q to 2Q
- Although sales were below our initially set targets, profits were generally on track

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## II . Financial Results by Product Group

### Sales by Product Group

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

(Billions of yen)

	FY2011		
	Apr. – Jun.	Jul. – Sep.	Change
Audio-Visual and Communication Equipment	297.6	283.2	-4.8%
Health and Environmental Equipment	74.3	73.3	-1.3%
Information Equipment	66.1	72.5	+9.6%
Consumer/Information Products	438.2	429.2	-2.1%
LCDs	188.0	221.8	+18.0%
Solar Cells	51.3	59.2	+15.5%
Other Electronic Devices	45.5	69.8	+53.4%
Electronic Components	284.8	350.9	+23.2%
Sub Total	723.1	780.1	+7.9%
Adjustments	-82.7	-105.9	-
Total	640.3	674.2	+5.3%

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## Operating Income by Product Group

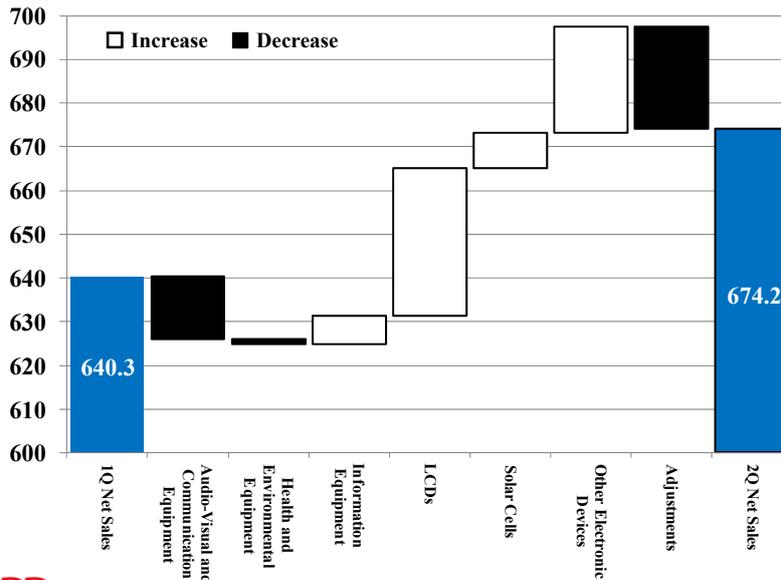
(Billions of yen)

	FY2011		
	Apr. – Jun.	Jul. – Sep.	Change
Audio-Visual and Communication Equipment	7.5	7.7	+3.6%
Health and Environmental Equipment	6.7	8.6	+29.4%
Information Equipment	5.8	9.5	+62.9%
Consumer/Information Products	20.0	26.0	+29.5%
LCDs	-4.6	11.7	-
Solar Cells	-3.7	-4.7	-
Other Electronic Devices	0.4	5.4	11 times
Electronic Components	-7.9	12.4	-
Sub Total	12.1	38.4	+217.2%
Adjustments	-8.5	-8.3	-
Total	3.5	30.0	+752.8%

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## Change in Sales by Product Group

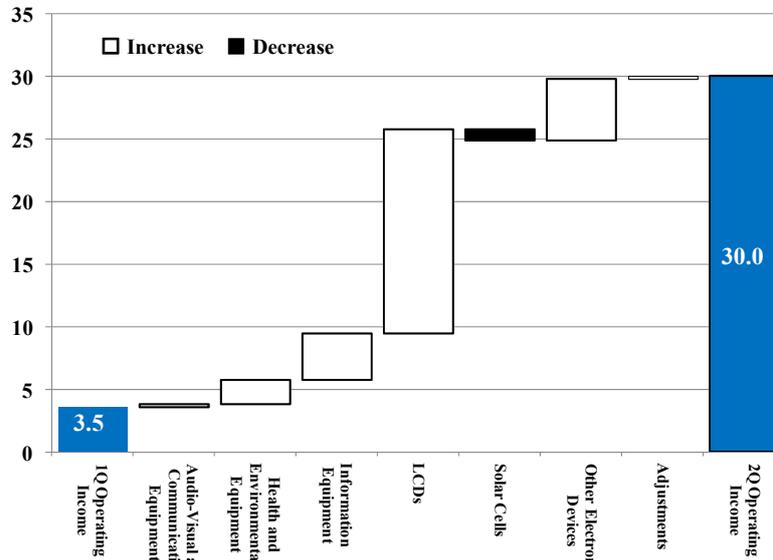
(Billions of yen)



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## Change in Operating Income by Product Group

(Billions of yen)



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## III. Outline of Main Products and Devices

### LCD Color TVs

(Billions of yen)

	FY2011										
	Apr. - Jun.		Jul. - Sep.			Apr. - Sep.		Oct. - Mar.		Full Year	
		Change (Y on Y)		Change (Q on Q)	Change (Y on Y)		Change (Y on Y)	Forecast	Change (Y on Y)	Forecast	Change (Y on Y)
Sales	154.3	-1.1%	156.9	+1.7%	-25.1%	311.2	-14.8%	328.7	-25.0%	640.0	-20.4%
Units (Millions of units)	3.29	+22.3%	3.59	+9.1%	-0.1%	6.88	+9.5%	6.61	-22.5%	13.50	-8.9%



TV commercial for a 70-inch AQUOS Quattron model in the U.S.



LCD TV that enables new style of TV viewing

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#### [ Review of Second Quarter ]

- In Japan, sales decreased as a result of the end of analog TV broadcasting and on-going ASP declines due to a shift in demand to small- and medium-size models intended as second and third TVs at home.
- Overseas, sales of large-size models 60 inches and larger increased significantly, centered in the U.S.

#### [ Future Action ]

- Work to expand sales of LCD TVs featuring slim, light weight design that enable them to be moved and installed freely using wireless technology
- Strengthen its lineup of large-size LCD TVs and pursue new markets

## LCDs

(Billions of yen)

	FY2011										
	Apr. – Jun.		Jul. – Sep.			Apr. – Sep.		Oct. – Mar.		Full Year	
		Change (Y on Y)		Change (Q on Q)	Change (Y on Y)		Change (Y on Y)	Forecast	Change (Y on Y)	Forecast	Change (Y on Y)
Sales *	188.0	-28.0%	221.8	+18.0%	-20.6%	409.8	-24.2%	490.1	+0.8%	900.0	-12.4%

\*Including internal sales between segments (Consumer/Information Products and Electronic Components).



Kameyama Plant



Electronic blackboard

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### [ Review of Second Quarter ]

- Sales of mobile LCDs continued strong reflecting rapidly growing demand centered mainly on smartphones
- Continued stable plant operation by emphasizing large-size LCD panels that are 60 inches and larger

### [ Future Action ]

- Continue to make progress in LCD business restructuring
  - ◆ Strengthening its mobile LCD business with Kameyama Plant as the production hub
  - ◆ Expanding its large-size LCD business for TVs & non-TVs

## Mobile Phone

(Billions of yen)

	FY2011										
	Apr. – Jun.		Jul. – Sep.			Apr. – Sep.		Oct. – Mar.		Full Year	
		Change (Y on Y)		Change (Q on Q)	Change (Y on Y)		Change (Y on Y)	Forecast	Change (Y on Y)	Forecast	Change (Y on Y)
Sales	92.5	-30.8%	80.1	-13.4%	-1.4%	172.6	-19.7%	167.3	-15.6%	340.0	-17.7%
Units (Millions of units)	2.10	-37.1%	2.00	-4.6%	+2.1%	4.11	-22.6%	4.89	+10.4%	9.00	-7.6%



AQUOS wireless network function

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### [ Review of Second Quarter ]

- Business environment remained challenging with competitions with overseas manufacturers and declining sales of conventional mobile phones

### [ Future Action ]

- Introduce handsets that make full use of Sharp's distinctive strengths, including models with functions to connect wirelessly with AQUOS LCD TVs, as well as models featuring both high image quality and low power consumption

## Solar Cells

(Billions of yen)

	FY2011										
	Apr. - Jun.		Jul. - Sep.			Apr. - Sep.		Oct. - Mar.		Full Year	
		Change (Y on Y)		Change (Q on Q)	Change (Y on Y)		Change (Y on Y)	Forecast	Change (Y on Y)	Forecast	Change (Y on Y)
Sales *	51.3	-11.1%	59.2	+15.5%	-18.0%	110.5	-14.9%	129.4	-4.5%	240.0	-9.6%
(MW)	259	+0.5%	319	+22.9%	-0.8%	578	-0.2%	772	+16.5%	1,350	+8.7%

\*Including internal sales between segments (Consumer/Information Products and Electronic Components).



One of the world's largest solar power generation plants under construction in Thailand's Lop Buri Province (73MW. Scheduled to start operating at the end of 2011.)

### [ Review of Second Quarter ]

- Greater awareness of energy conservation and increased interest in renewable energy
- Business in Japan remained profitable
- Overseas, severe market environment continued, such as financial turmoil in Europe, sluggish demand and price decline due to review of feed-in tariff programs by various countries and appreciation of yen

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## Restructuring of Solar Cell Business

### Promoting local production for local consumption

Optimization of procurement, production and sales at global level

### Reinforce efforts in downstream area

Shift from sales of stand-alone modules to systems sales and IPP business

### Overseas

Alliance with Enel Green Power in Italy

Acquired Recurrent Energy in the U.S.

Construction, service and maintenance of solar power generation plant in Thailand

### Japan

Enhance development and support for industrial applications

Expansion of new single crystalline solar cell with high conversion efficiency

Revision and optimization of domestic production framework

## Becoming a solar energy solutions company



Thin-film solar cell plant in Italy (Scheduled to start production at the end of 2011)



Solar power generation plant in southern Italy constructed by Sharp and Enel Green Power



"Sharp Eco House" at GREEN FRONT SAKAI

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## IV. Financial Results Forecast for Fiscal 2011

(Billions of yen)

	FY2011								
	Full Year Prev. Forecast (As of Jun.3)	Apr. - Jun.		Apr. - Sep.	Oct. - Mar.		Full Year		
		Revised Forecast	Change (Y on Y)		Revised Forecast	Change (Y on Y)	Difference vs. Prev. Forecast		
Net Sales	3,050.0	640.3	674.2	1,314.5	1,485.4	-2.1%	2,800.0	-7.3%	-250.0
Operating Income (Ratio)	97.0 (3.2%)	3.5 (0.6%)	30.0 (4.5%)	33.5 (2.6%)	51.4 (3.5%)	+45.2%	85.0 (3.0%)	+7.7%	-12.0
Net Income (Ratio)	6.0 (0.2%)	-49.2 (-7.7%)	9.4 (1.4%)	-39.8 (-3.0%)	45.8 (3.1%)	+804.0%	6.0 (0.2%)	-69.1%	0

### Exchange Rate (Average)

(Yen)

	FY2011			
	Full Year Prev. Forecast (As of Jun. 3)	Apr. - Sep.	Oct. - Mar.	
			Prev. Forecast (As of Jul. 28)	Revised Forecast (As of Oct. 27)
U.S. Dollar	83.00	78.82	80.00	78.00
Euro	118.00	112.30	112.00	107.00

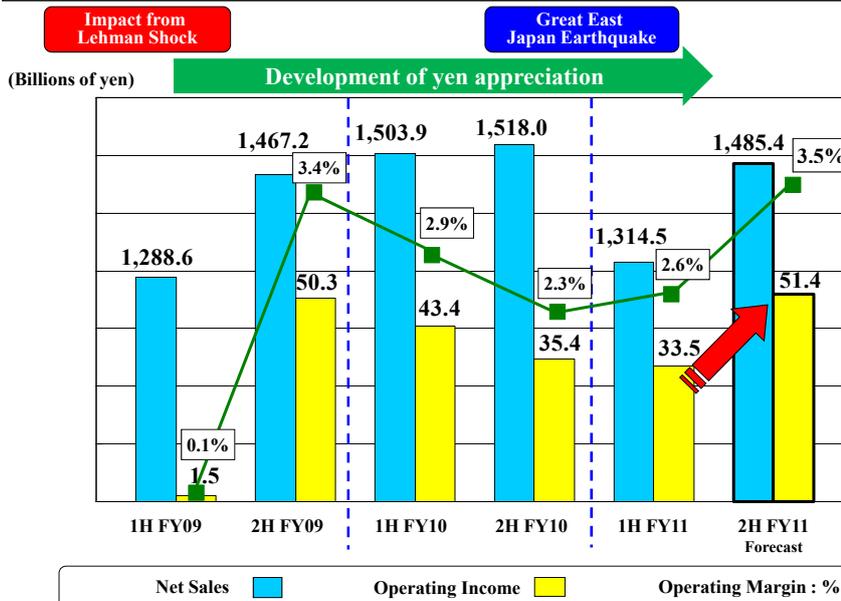
### Dividends

(Yen)

	FY2010		FY2011
	Interim	Year-end	Interim
Dividends per share	10.00	7.00	5.00

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## Net Sales and Operating Income by Six-month Period



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