



Consolidated Financial Results for the Second Quarter Fiscal 2012

- I. Financial Results for the First Half
 - II. Financial Results Forecast for Fiscal 2012
 - III. Information by Product Group
 - IV. Future Direction of Management
-

SHARP CORPORATION

November 1, 2012

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- (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) The progress of collaborations and alliances with other companies
- (6) Litigation and other legal proceedings against Sharp
- (7) 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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I . Financial Results for the First Half

Financial Results for the First Half

Net sales: Achieved the previous forecast

Operating Income/Net Income: Downward revision, but almost in line with forecast
by excluding the effect of business restructuring

(Billions of yen)

	FY2011 Apr. – Sep.	FY2012 Apr. – Sep.			
		Previous Forecast (as of Aug 2)	Results	Difference from Previous Forecast	Effect of business restructuring
Net Sales	1,314.5	1,100.0	1,104.1	+4.1	
Operating Income	33.5	-130.0	-168.8	-38.8	← -30.0
Net Income	-39.8	-210.0	-387.5	-177.5	← -175.4

Sales by Product Group (Six-months Period) (vs. Previous Forecast)

Sales of all segments were almost in line with forecast → Achieved previous forecast in total

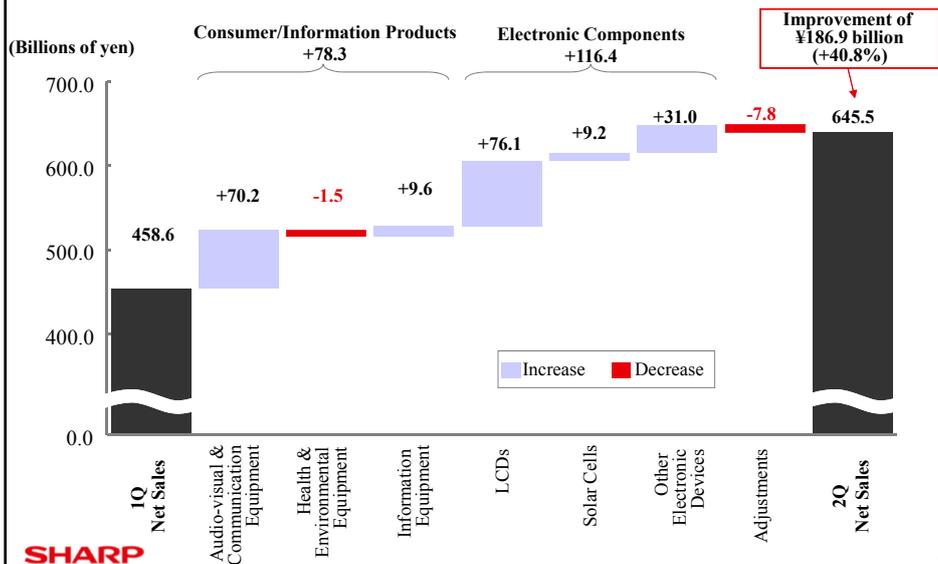
(Billions of Yen)

	FY2012 Apr. – Sep.					
	Previous Forecast (as of Aug 2)			Results	Difference from Previous Forecast	Change (Y on Y)
		1Q	2Q			
Audio-Visual and Communication Equipment	320.0	134.1	204.4	338.5	+18.5	-41.7%
Health and Environmental Equipment	160.0	78.2	76.7	154.9	-5.0	+4.9%
Information Equipment	140.0	64.7	74.4	139.2	-0.7	+0.3%
Consumer/Information Products	620.0	277.2	355.6	632.8	+12.8	-27.1%
LCDs	370.0	145.9	222.0	367.9	-2.0	-10.2%
Solar Cells	100.0	41.9	51.1	93.0	-6.9	-15.8%
Other Electronic Devices	110.0	47.4	78.5	125.9	+15.9	+9.2%
Electronic Components	580.0	235.2	351.7	587.0	+7.0	-7.7%
Sub Total	1,200.0	512.5	707.3	1,219.8	+19.8	-18.9%
Adjustments	-100.0	-53.9	-61.7	-115.7	-15.7	-
Total	1,100.0	458.6	645.5	1,104.1	+4.1	-16.0%

SHARP Sales of each product group include internal sales between segments (Consumer/Information Products and Electronic Components). 3

Breakdown of Sales by Product Group (Comparison of 1Q and 2Q)

Almost all product groups achieved revenue growth in 2Q compared to 1Q
Audio-Visual and Communications(+52%), LCDs(+52%)



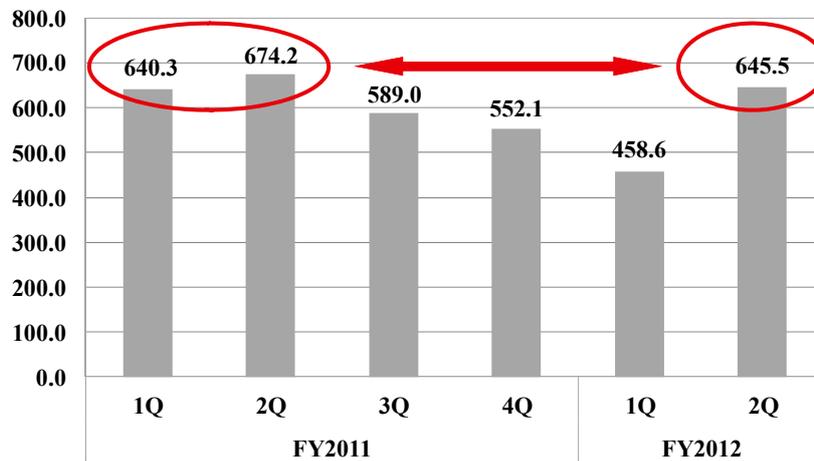
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Transition of Quarterly Sales

Sales recovered to the level of 1H FY2011, bottoming out in 1Q FY2012

(Billions of yen)



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Factors of Change in Profits from Previous Forecast

Recorded additional expenses (asset compression) of ¥175.4 billion in total for noncurrent assets and inventory as part of business restructuring, in order to increase revenue from 2H
 (These expenses do not affect the cash flow)

(Billions of yen)	FY2012 Apr. – Sep.					
	Previous Forecast (as of Aug 2)	Results	Difference from Prev. Forecast	Major factors of change	Amount	Remarks
Operating Income	-130.0	-168.8	-38.8	(1) Inventory write-down	-30.0	Small- and Medium-size LCDs -12.0 Other Electronic Devices -18.0
Net Income	-210.0	-387.5	-177.5	(2) Restructuring charges	-84.4	Inventory write-down -53.4 Impairment loss: -30.1 Reorganization of business sites overseas -0.8
				(3) Reversal of deferred tax assets	-61.0	Reversal based on revision of financial results forecast
				Total of (1) to (3)	-175.4	

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Operating Income by Product Group (vs. Previous Forecast)

Shortfall in LCDs and Other Electronic Devices are mainly due to inventory write-down
 Except for these factors, almost achieved the level of previous forecast

(Billions of Yen)

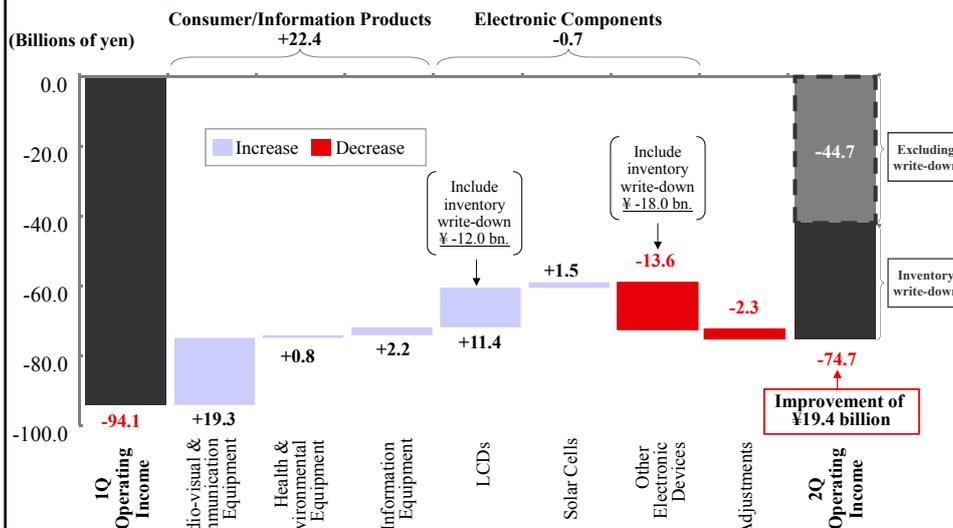
	FY2012 Apr. – Sep.					
	Previous Forecast (as of Aug 2)			Results	Difference from Previous Forecast	Amount of inventory write-down
		1Q	2Q			
Audio-Visual and Communication Equipment	-23.0	-20.2	-0.9	-21.1	+1.8	
Health and Environmental Equipment	15.0	8.2	9.0	17.3	+2.3	
Information Equipment	9.0	2.3	4.6	6.9	-2.0	
Consumer/Information Products	1.0	-9.6	12.7	3.1	+2.1	
LCDs	-100.0	-63.4	-52.0	-115.5	-15.5	-12.0
Solar Cells	-10.0	-6.9	-5.3	-12.3	-2.3	
Other Electronic Devices	-4.0	-5.0	-18.7	-23.7	-19.7	-18.0
Electronic Components	-114.0	-75.4	-76.1	-151.6	-37.6	
Sub Total	-113.0	-85.1	-63.3	-148.5	-35.5	
Adjustments	-17.0	-9.0	-11.3	-20.3	-3.3	
Total	-130.0	-94.1	-74.7	-168.8	-38.8	-30.0

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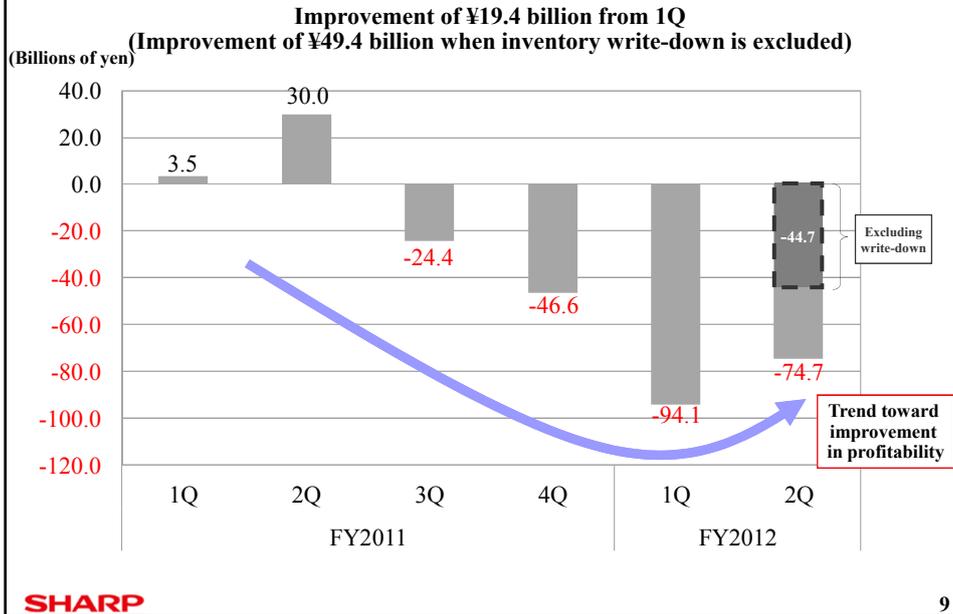
Breakdown of Operating Income by Product Group (Comparison of 1Q and 2Q)

Improvement of ¥19.4 billion from 1Q
 (Improvement of ¥49.4 billion when inventory write-down is excluded)



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Transition of Operating Income by Quarter



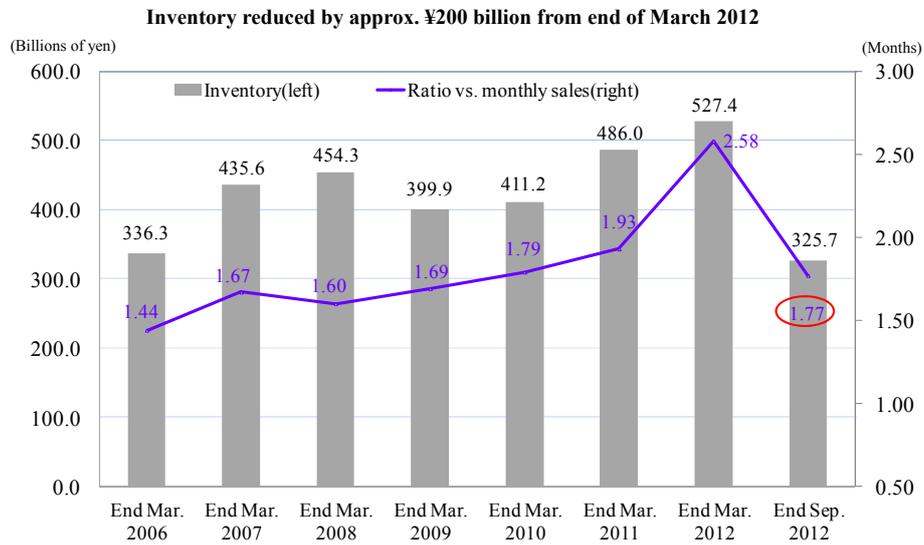
Extraordinary Items in Other Expenses / Reversal of Deferred Tax Assets (1H FY2012)

(Billions of yen)

	Apr. – Jun.	Jul. – Sep.	Apr. – Sep.
Restructuring charges	-14.2	-84.4	-98.6
Impairment loss	0.0	-30.1	-30.1
Inventory write-down	0.0	-53.4	-53.4
Settlement package	-15.8	0.0	-15.8
Reversal of deferred tax assets	0.0	-61.0	-61.0

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“Asset Light” Approach [Transition of Inventory]

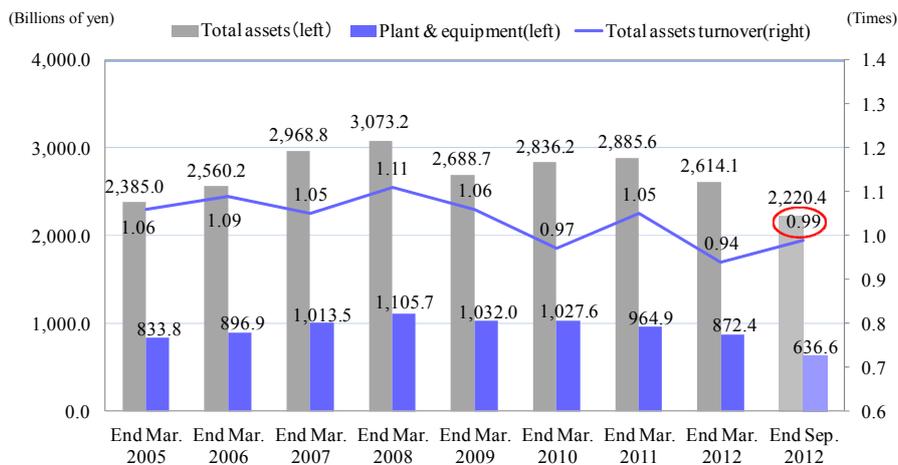


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“Asset Light” Approach [Transition of Total Assets & Plant and Equipment]

**Total assets decreased by ¥390 billion compared to end of March 2012,
due to reduction of inventory, plant and equipment, etc.**



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II. Financial Results Forecast for Fiscal 2012**Financial Results Forecast for FY2012**

Revised full-year forecast by reflecting additional
business restructuring measures implemented in 2Q

(Billions of Yen)

	FY2011 Apr. – Mar.	FY2012 Apr. – Mar.			
		Previous Forecast (as of Aug 2)	Revised Forecast	<i>Difference from Previous Forecast</i>	<i>Change (Y on Y)</i>
Net Sales	2,455.8	2,500.0	2,460.0	-40.0	+0.2%
Operating Income	-37.5	-100.0	-155.0	-55.0	-
Net Income	-376.0	-250.0	-450.0	-200.0	-

Sales by Product Group (FY2012 Forecast) (vs. Previous Forecast)

Downward revision of ¥40 billion from previous forecast (change rate: -1.6%)

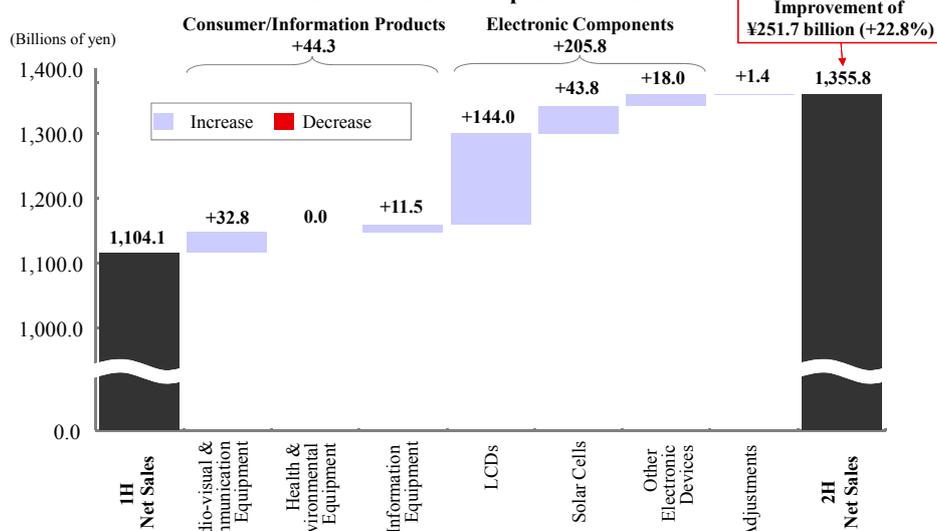
(Billions of Yen)

	FY2012 Apr. – Mar.					
	Previous Forecast (as of Aug 2)	FY2012 Apr. – Mar.		Revised Forecast	Difference from Previous Forecast	Change (Y on Y)
		Apr. – Sep.	Oct. – Mar.			
Audio-Visual and Communication Equipment	690.0	338.5	371.4	710.0	+20.0	-33.1%
Health and Environmental Equipment	320.0	154.9	155.0	310.0	-10.0	+6.1%
Information Equipment	290.0	139.2	150.7	290.0	0.0	+4.5%
Consumer/Information Products	1,300.0	632.8	677.1	1,310.0	+10.0	-19.7%
LCDs	900.0	367.9	512.0	880.0	-20.0	+22.1%
Solar Cells	260.0	93.0	136.9	230.0	-30.0	+2.7%
Other Electronic Devices	260.0	125.9	144.0	270.0	+10.0	+13.4%
Electronic Components	1,420.0	587.0	792.9	1,380.0	-40.0	+16.7%
Sub Total	2,720.0	1,219.8	1,470.1	2,690.0	-30.0	-4.4%
Adjustments	-220.0	-115.7	-114.2	-230.0	-10.0	-
Total	2,500.0	1,104.1	1,355.8	2,460.0	-40.0	+0.2%

SHARP Sales of each product group include internal sales between segments (Consumer/Information Products and Electronic Components). 15

Breakdown of Sales by Product Group (Comparison of 1H and 2H)

Revenue growth based on high-definition LCDs for smartphones
and solar cells for Japanese market



Operating Income by Product Group (FY2012 Forecast) (vs. Previous Forecast)

Downward revision of ¥55 billion from previous forecast

(Billions of Yen)

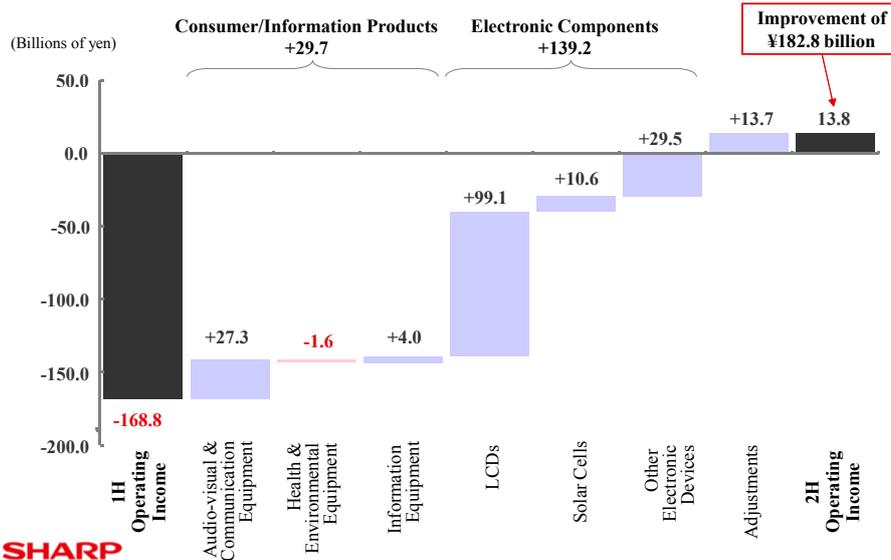
	FY2012 Apr. – Mar.					
	Previous Forecast (as of Aug 2)	FY2012 Apr. – Mar.		Revised Forecast	Difference from Previous Forecast	Change (Y on Y)
		Apr. – Sep.	Oct. – Mar.			
Audio-Visual and Communication Equipment	-17.0	-21.1	6.1	-15.0	+2.0	-
Health and Environmental Equipment	32.0	17.3	15.6	33.0	+1.0	+12.0%
Information Equipment	22.0	6.9	11.0	18.0	-4.0	-35.1%
Consumer/Information Products	37.0	3.1	32.8	36.0	-1.0	-29.4%
LCDs	-105.0	-115.5	-16.4	-132.0	-27.0	-
Solar Cells	-10.0	-12.3	-1.6	-14.0	-4.0	-
Other Electronic Devices	0.0	-23.7	5.7	-18.0	-18.0	-
Electronic Components	-115.0	-151.6	-12.3	-164.0	-49.0	-
Sub Total	-78.0	-148.5	20.5	-128.0	-50.0	-
Adjustments	-22.0	-20.3	-6.6	-27.0	-5.0	-
Total	-100.0	-168.8	13.8	-155.0	-55.0	-

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Breakdown of Operating Income by Product Group (Comparison of 1H and 2H)

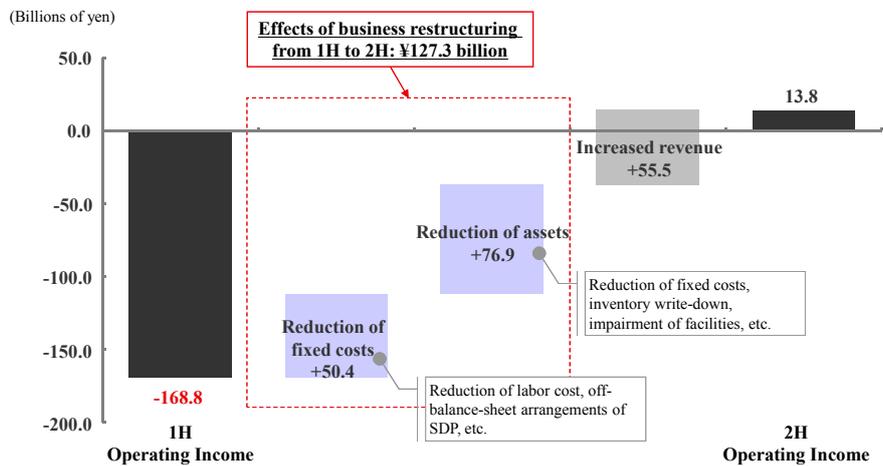
Operating income improved by ¥182.8 billion from 1H to 2H



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Breakdown of Operating Income by Factors (Comparison of 1H and 2H)

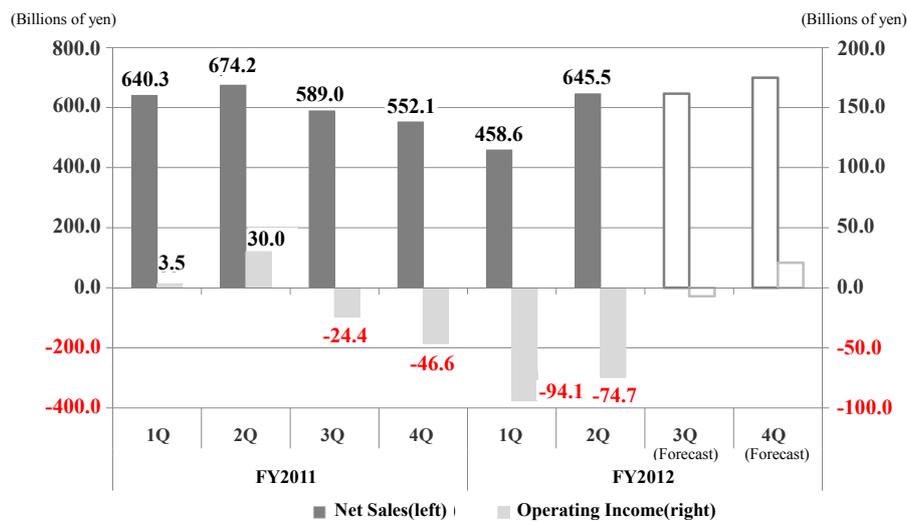
Effects of business restructuring will drive operating income to a positive figure



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Image Forecast of Quarterly Sales and Operating Income

Aim to return to profitability in Q4 and 2H



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Extraordinary Items in Other Expenses / Reversal of Deferred Tax Assets in FY2012 (Comparison of 1H and 2H)

(Billions of yen)

	Apr. – Sep.	Oct. – Mar.	Apr. – Mar.
Restructuring charges	-98.6	-6.4	-105.0
Impairment loss	-30.1	0.0	-30.1
Inventory write-down	-53.4	0.0	-53.4
Settlement package	-15.8	0.0	-15.8
Expense for voluntary retirement program	0.0	-28.0	-28.0
Reversal of deferred tax assets	-61.0	0.0	-61.0

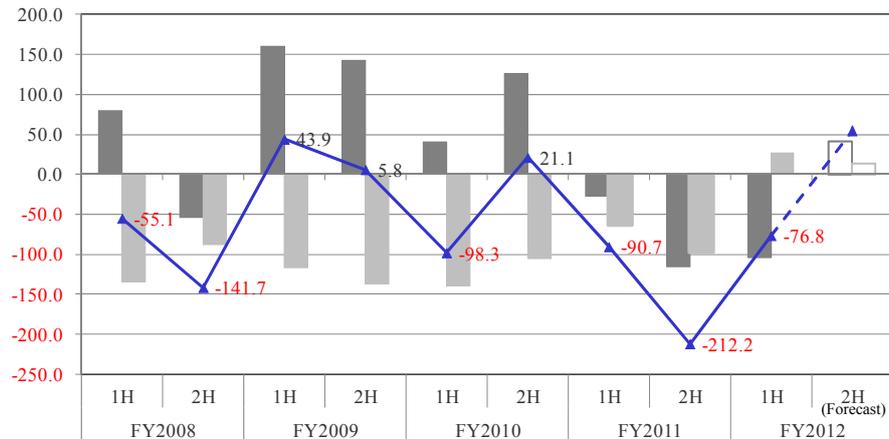
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Transition of Cash Flows (Consolidated)

With significant improvement in revenue, the level of free cash flows have
bottomed out in 2H FY2011 and expected to turn positive in 2H FY2012

(Billions of yen)



■ (1) Cash flows from operating activities ■ (2) Cash flows from investing activities ▲ (1) + (2) = Free cash flow

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Consolidated Balance Sheets

Cover the decrease of commercial paper with other short-term borrowings

(Billions of yen)

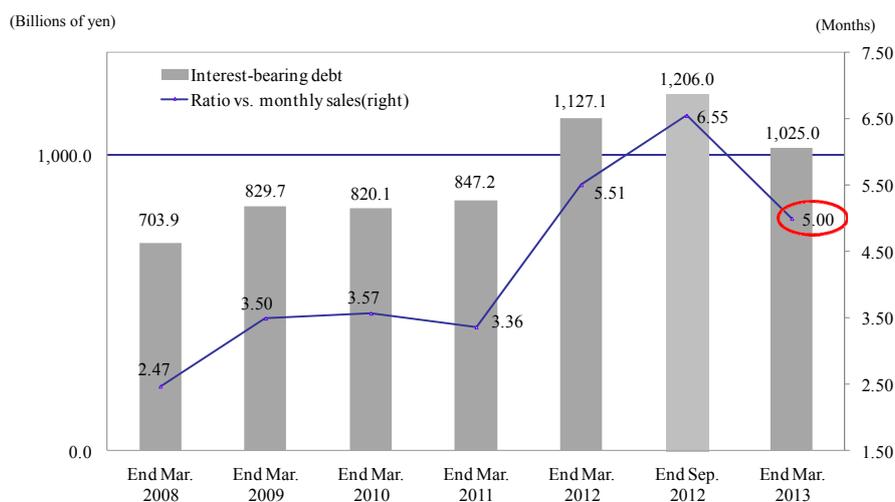
	FY2011	FY2012			FY2011	FY2012	
	End of Mar. 2011	End of Jun. 2012	End of Sep. 2012		End of Mar. 2011	End of Jun. 2012	End of Sep. 2012
Cash, time deposits and short-term investments	195.3	217.6	221.1	Commercial paper	351.0	362.4	167.5
Notes and accounts receivable	435.8	377.5	470.2	Short-term borrowings	597.9	718.8	898.0
Inventories	527.4	513.7	325.7	Notes and accounts payable	436.5	397.6	422.2
Other current assets	262.4	272.0	241.9	Other current liabilities	356.5	355.2	333.9
Total current assets	1,421.1	1,381.0	1,259.0	Total current liabilities	1,391.0	1,471.7	1,654.2
Plant and Equipment	872.4	861.9	636.6	Long-term liabilities	577.9	569.9	338.3
Investments and other assets	318.4	275.6	323.7	Total liabilities	1,969.0	2,041.6	1,992.5
Total assets	2,614.1	2,520.5	2,220.4	Net assets	645.1	478.8	227.9
				Total liabilities and net assets	2,614.1	2,520.5	2,220.4
				Net assets ratio	24.7%	19.0%	10.3%

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Transition of Interest-bearing Debt (Forecast)

Expect to decrease approx. ¥180 billion by end of March 2013 compared with the peak at end of September 2012



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III. Information by Product Group

**Audio-Visual and Communication Equipment
LCD TVs**

(Billions of Yen)

	FY2012										FY2012		
	Apr. - Jun.		Jul. - Sep.			Apr. - Sep.		Oct. - Mar.		Apr. - Mar.		Apr. - Mar.	
		Change (Y on Y)		Change (Q on Q)	Change (Y on Y)		Change (Y on Y)	Revised Forecast	Change (Y on Y)	Revised Forecast	Change (Y on Y)	Previous Forecast	Change (Y on Y)
Sales	77.7	-49.6%	108.0	+39.0%	-31.2%	185.7	-40.3%	184.2	-31.8%	370.0	-36.4%	350.0	-39.8%
Units (Million units)	1.66	-49.4%	2.23	+33.8%	-37.9%	3.89	-43.4%	4.10	-24.1%	8.00	-34.9%	8.00	-34.9%

[2Q]

- Strong sales in emerging countries (ASEAN, etc.)
- Demand declined significantly in Japan and sales were weak in China

[Actions for 2H onwards]

- Work to expand sales in emerging countries where market growth is expected
- Launch of LCD TVs with new panel technology in Japan, featuring low reflection and high contrast
- Develop new-category products based on integration with Information Equipment and Communication Equipment business groups

Audio-Visual and Communication Equipment Mobile Phones

(Billions of Yen)

	FY2012											FY2012	
	Apr. - Jun.		Jul. - Sep.			Apr. - Sep.		Oct. - Mar.		Apr. - Mar.		Apr. - Mar.	
		Change (Y on Y)		Change (Q on Q)	Change (Y on Y)		Change (Y on Y)	Revised Forecast	Change (Y on Y)	Revised Forecast	Change (Y on Y)	Previous Forecast	Change (Y on Y)
Sales	29.2	-68.4%	69.0	+136.0%	-13.8%	98.3	-43.0%	141.6	+6.3%	240.0	-21.5%	240.0	-21.5%
Units (Million units)	0.77	-63.1%	1.95	+151.6%	-2.6%	2.73	-33.5%	3.66	+2.1%	6.40	-16.9%	6.30	-18.2%

[2Q]

- Intensified competition with overseas handset makers
- Decrease in sales units due to short supply of key components

[Actions for 2H onwards]

- Work to achieve early recovery by securing stable supply of necessary parts
(Already secured necessary quantity up until March)
- Launch of new products equipped with IGZO LCDs that feature high-definition and low power consumption

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Audio-Visual and Communication Equipment

(Billions of Yen)

	FY2012											FY2012	
	Apr. - Jun.		Jul. - Sep.			Apr. - Sep.		Oct. - Mar.		Apr. - Mar.		Apr. - Mar.	
		Change (Y on Y)		Change (Q on Q)	Change (Y on Y)		Change (Y on Y)	Revised Forecast	Change (Y on Y)	Revised Forecast	Change (Y on Y)	Previous Forecast	Change (Y on Y)
Net Sales	134.1	-54.9%	204.4	+52.4%	-27.8%	338.5	-41.7%	371.4	-22.6%	710.0	-33.1%	690.0	-35.0%
Operating Income	-20.2	-	-0.9	-	-	-21.1	-	6.1	-	-15.0	-	-17.0	-

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

➢ LCD TVs:

-Work to strengthen business foundations by promoting use of ODM, as well as pursuing reduction of fixed costs mainly in Japan and Europe

➢ Mobile Phones (Smartphones):

-Promote reduction of fixed costs through measures including streamlining of personnel and communalizing software platform
 -Pursue revision of business model in areas of joint development and marketing, as well as initiatives to enhance product appeal and cost competitiveness through alliance with Hon Hai Group

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Health and Environmental Equipment

(Billions of Yen)

	FY2012											FY2012	
	Apr. - Jun.		Jul. - Sep.			Apr. - Sep.		Oct. - Mar.		Apr. - Mar.		Apr. - Mar.	
	Change (Y on Y)	Change (Y on Y)	Change (Q on Q)	Change (Y on Y)	Change (Y on Y)	Revised Forecast	Change (Y on Y)	Revised Forecast	Change (Y on Y)	Revised Forecast	Change (Y on Y)	Previous Forecast	Change (Y on Y)
Net Sales	78.2	+5.3%	76.7	-2.0%	+4.6%	154.9	+4.9%	155.0	+7.2%	310.0	+6.1%	320.0	+9.5%
Operating Income	8.2	+22.7%	9.0	+10.4%	+4.7%	17.3	+12.6%	15.6	+11.4%	33.0	+12.0%	32.0	+8.6%

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

[2Q]

➤ Strong sales of key products in overseas market

[Actions for 2H onwards]

- Work to expand applications of products equipped with Plasmacluster Ion technology and to launch in the global market
- Enhance overseas sales by increasing production capacity in Asia
- Work to minimize decline in sales price and maintain profitability by creating new category products

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Information Equipment

(Billions of Yen)

	FY2012											FY2012	
	Apr. - Jun.		Jul. - Sep.			Apr. - Sep.		Oct. - Mar.		Apr. - Mar.		Apr. - Mar.	
	Change (Y on Y)	Change (Y on Y)	Change (Q on Q)	Change (Y on Y)	Change (Y on Y)	Revised Forecast	Change (Y on Y)	Revised Forecast	Change (Y on Y)	Revised Forecast	Change (Y on Y)	Previous Forecast	Change (Y on Y)
Net Sales	64.7	-2.1%	74.4	+14.9%	+2.6%	139.2	+0.3%	150.7	+8.6%	290.0	+4.5%	290.0	+4.5%
Operating Income	2.3	-60.0%	4.6	+97.3%	-51.5%	6.9	-54.7%	11.0	-10.6%	18.0	-35.1%	22.0	-20.7%

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

[2Q]

➤ Strong sales of information display

➤ Decrease in profit due to intensified price competition and reduction of inventory

[Actions for 2H onwards]

- Work to expand solutions businesses in new markets such as interactive whiteboard and multi-screen display systems
- Enhance cost competitiveness by leveraging Sharp's proprietary toner technologies and increase profitability by improving product mix

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LCDs

	FY2012										(Billions of Yen)		
	Apr. – Jun.		Jul. – Sep.			Apr. – Sep.		Oct. – Mar.		Apr. – Mar.		FY2012	
	Change (Y on Y)	Change (Q on Q)	Change (Y on Y)	Change (Y on Y)	Change (Y on Y)	Revised Forecast	Change (Y on Y)	Revised Forecast	Change (Y on Y)	Revised Forecast	Change (Y on Y)	Previous Forecast	Change (Y on Y)
Net Sales	145.9	-22.4%	222.0	+52.2%	+0.1%	367.9	-10.2%	512.0	+64.6%	880.0	+22.1%	900.0	+24.8%
Operating Income	-63.4	-	-52.0	-	-	-115.5	-	-16.4	-	-132.0	-	-105.0	-

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

[2Q]

- Small- and medium-size LCD: Increased sales of IGZO LCDs
- Large-size LCD: Increase utilization rate by further collaboration with Hon Hai Group

[Actions for 2H onwards]

- Small- and medium-size LCD:
 - Expand sales by applications for Windows® 8 and LCD production in Kameyama No.1
 - Strengthen profitability by steady improvement of production yield
 - Increase unit price by shifting to high value-added LCDs at conventional plants
- Large-size LCD:
 - Pursue production and sales based on demand trends and strengthen efforts to optimize inventory level.
 - Maintain stable plant operation based on alliance with Hon Hai Group

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Solar Cells

	FY2012										(Billions of Yen)		
	Apr. – Jun.		Jul. – Sep.			Apr. – Sep.		Oct. – Mar.		Apr. – Mar.		FY2012	
	Change (Y on Y)	Change (Q on Q)	Change (Y on Y)	Change (Y on Y)	Change (Y on Y)	Revised Forecast	Change (Y on Y)	Revised Forecast	Change (Y on Y)	Revised Forecast	Change (Y on Y)	Previous Forecast	Change (Y on Y)
Net Sales	41.9	-18.2%	51.1	+21.9%	-13.7%	93.0	-15.8%	136.9	+20.8%	230.0	+2.7%	260.0	+16.1%
Volume (MW)	253	-2.4%	289	+14.5%	-9.1%	542	-6.1%	708	+42.8%	1,250	+16.5%	1,400	+30.4%
Operating Income	-6.9	-	-5.3	-	-	-12.3	-	-1.6	-	-14.0	-	-10.0	-

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

[2Q]

- Price decline continued in overseas market due to worsened business conditions and intense competition

[Actions for 2H onwards]

- Expand sales by increasing product lineups for residential and industrial use in Japan, as well as enhancing sales & marketing for mega-solar power generation projects
- Narrow down target markets for overseas business
- Pursue selection and concentration of business, such as downsizing of unprofitable thin-film business, to improve profitability
- Revise business model of cell/module production by leveraging outsourcing to enhance capability to cope with price decline

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Other Electronic Devices

(Billions of Yen)

	FY2012											FY2012	
	Apr. - Jun.		Jul. - Sep.			Apr. - Sep.		Oct. - Mar.		Apr. - Mar.		Apr. - Mar.	
		Change (Y on Y)		Change (Q on Q)	Change (Y on Y)		Change (Y on Y)	Revised Forecast	Change (Y on Y)	Revised Forecast	Change (Y on Y)	Previous Forecast	Change (Y on Y)
Net Sales	47.4	+4.2%	78.5	+65.5%	+12.5%	125.9	+9.2%	144.0	+17.3%	270.0	+13.4%	260.0	+9.2%
Operating Income	-5.0	-	-18.7	-	-	-23.7	-	5.7	+59.2%	-18.0	-	0.0	-

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

[2Q]

➤ Strong sales of camera modules

[Actions for 2H onwards]

- Expand sales of sensor components including camera module
- Boost sales of devices for lighting such as LED
- Improve profitability by business restructuring in 2Q and reduce fixed costs such as labor cost

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IV. Future Direction of Management

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Progress of Previously Announced(Aug 2) Measures to Reinforce Business Foundations

(Billions of yen)

Measures	Annual Target	1H Results	Achievement rate	Remarks
Off-balance-sheet arrangements of large-size LCD business	110.0	110.0	100%	<ul style="list-style-type: none"> ➢ Partial transfer of SDP shares: ¥66.0 bn. ➢ Decrease in debt: ¥44.0 bn.
Issue new shares through third-party allotment	66.9	-	-	<ul style="list-style-type: none"> ➢ Continue discussions with Hon Hai Group ➢ Collaborations in large-size LCDs and mobile phone businesses are progressing steadily
Reduce inventories and noncurrent assets	150.0	129.1	86%	<ul style="list-style-type: none"> ➢ Inventory reduction: ¥118.3 bn. (Amount before applying inventory write-down) ➢ Sales of business bases and securities: ¥10.8 bn.
Reduce capital investment	70.0	37.5	54%	<ul style="list-style-type: none"> ➢ Depreciation & amortization: ¥92.6 bn. ➢ Capital investment: ¥55.1 bn.
Total	400.0	276.6	69%	

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Future Direction of Management

Sharp has instituted the following initiatives:

Clarification of Sharp's Direction	Aim to be a "Lifestyle Creating Company" that will commercialize customers' unconscious needs by causing FUSION across business segments
Business Restructuring of Core Business Units	Promote business restructuring of Audio-Visual System Group, Solar Systems Group, Display Device Business and Communication Systems Group
Reformation of Cost Structure	Reduce labor cost, fixed costs at subsidiaries and unprofitable businesses
Stabilization of Capital	Stabilize capital by self-reliant efforts such as selling assets + syndicated loan agreement
Strengthen Execution Framework	Strengthen monitoring framework by establishing "Executive Committee for Urgent Business Issues" led by the President

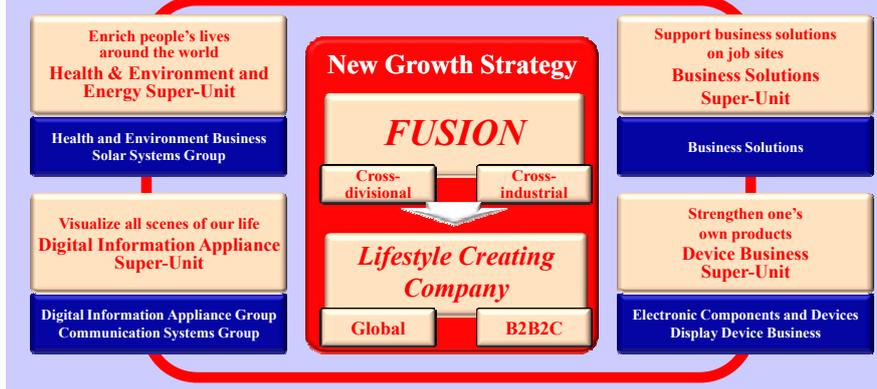
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Clarification of Sharp's Direction

Making the most effective use of our unique technology and devices, our abilities of product planning, our sales network etc., we cause FUSION so as to put "sharp" proposals into our products that are different from our competitors
 With this, we aim to be a "Lifestyle Creating Company" that will commercialize customers' unconscious needs

Basic Concept of New Strategy for Growth



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Business Restructuring of Core Business Units

Promote drastic changes in ways of conventional businesses for the units below, which are facing host of challenges

[Business area]

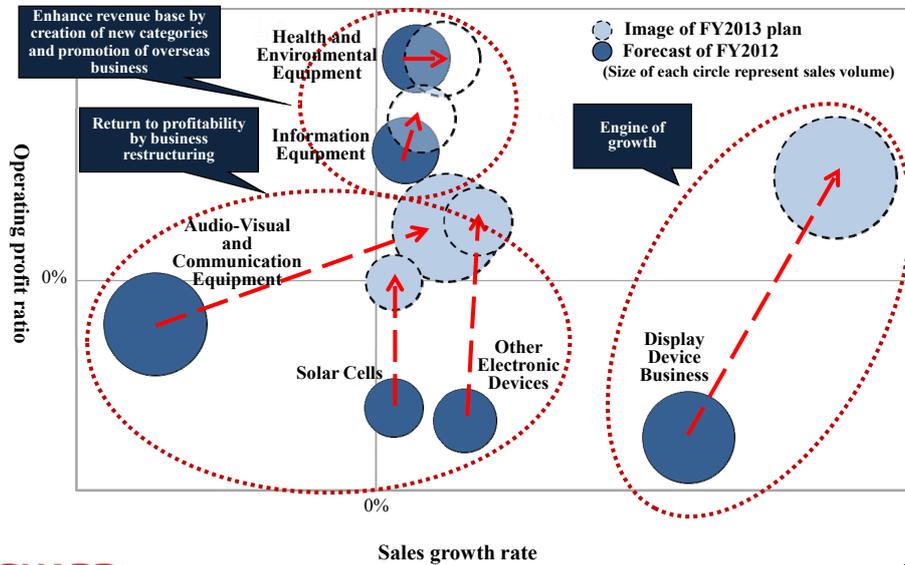
[Principal measures]

Audio-Visual Systems (Business reconstruction)	<ul style="list-style-type: none"> ➢ Shift business model from vertical integration to horizontal division ➢ Drastically review operations of overseas business (Localization of production, development, marketing, etc.)
Communication Systems (Strengthen competitiveness)	<ul style="list-style-type: none"> ➢ Promote development of new products that leverage Sharp's uniqueness, such as IGZO LCDs ➢ Work to expand business by enhancing products and cost competitiveness though alliance with Hon Hai Group and cultivation of new markets including overseas
Solar Systems (Narrow down the focus)	<ul style="list-style-type: none"> ➢ Expand sales in Japanese market where strong growth is expected ➢ Contract existing thin-film solar cell business and shift from cell/module production business to solutions business ➢ Reduce fixed costs by measures such as promotion of selling old equipments
Large-size LCDs (Off-balance-sheet arrangement)	<ul style="list-style-type: none"> ➢ Based on alliance with Hon Hai Group, decrease assets by off balancing SDP, increase utilization rate and improve profitability by business restructuring
Display Device (Stabilize profitability)	<ul style="list-style-type: none"> ➢ Work to improve utilization of Kameyama No.2 Plant by strengthening relationship with major customers and promoting cultivation of new customers and markets with the superiority of IGZO technology as the driving force ➢ Maintain high utilization rate at conventional plants by leveraging their strengths

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Image of improvement in performance of core businesses (Transition from FY2012 to FY2013)



Reformation of Cost Structure

Promote reduction of fixed costs by downsizing personnel to a level matching with sales volume (reduction of approx. 5,000 staffs by end of March 2013) and reviewing framework of production/sales bases world-wide

Measures of cost reduction announced on Aug. 2 (¥100 billion in total)

Reduction of fixed costs initiated by head office

- Labor cost (Voluntary retirement and personnel cutback by off-balance-sheet arrangements)
- Depreciation & amortization (Decrease in amount at Kameyama No.2, etc.)
- Other fixed cost (Outsourcing expenses, advertising expenses, etc.)

+

Additional Measures

Reduction of fixed costs

- Labor cost * by end of September 2013
(Reduction of salary and bonus / review of allowances and welfare)

Reduction of fixed costs at subsidiaries in Japan

- Review of sales framework in Japan
(Streamlining of personnel and sales bases)

Reduction of fixed costs at subsidiaries overseas

- Reduce fixed costs by reviewing unprofitable businesses
- Reduce labor cost and other expenses by reviewing personnel and operation

Stabilization of Capital

Sharp entered into agreement of syndicated loan of ¥360 billion, in addition to self-reliant efforts to improve capital such as selling assets (securities, real estates, etc.) and reducing costs, inventory and capital investment

Measures to generate cash to stabilize capital (Self-reliant measures)

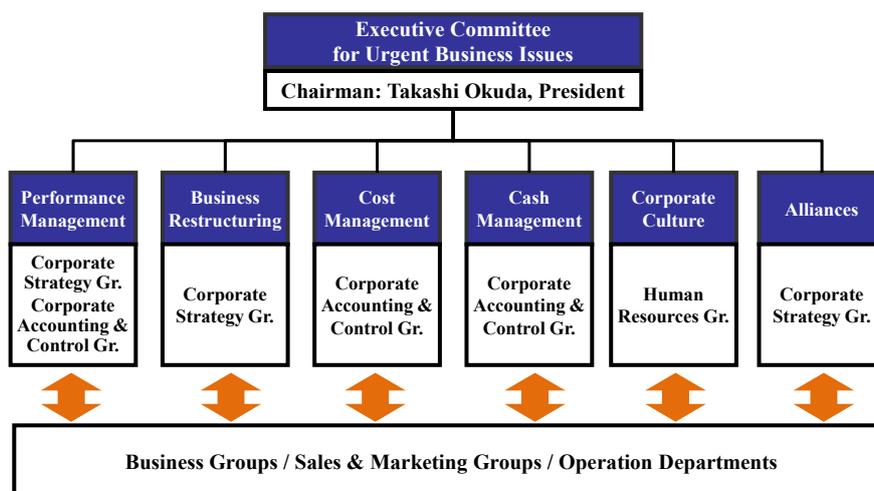
- Sale of assets (sale of securities)
- Reduce working capital (early collection of receivables)

Summary of syndicated loan agreement

- **Amount of Contract:** 360 billion yen total
 - Term loan: 180 billion yen
 - Uncommitted line of credit: 180 billion yen (maximum)
- **Contract term:** from September 28, 2012 to June 30, 2013
- **Arranger and Agent:** Mizuho Corporate Bank, Ltd.
The Bank of Tokyo-Mitsubishi UFJ, Ltd.

Strengthen Execution Framework

Established “Executive Committee for Urgent Business Issues” led by the President to form an execution framework with greater efficiency



Conclusion

- Sharp is continuing considerations for further business restructuring and we intend to announce our visions including medium-term plan within this fiscal year.
- Sharp will accelerate each measures of business restructuring to “realize operating income in 2H FY2012” and “realize net income in FY2013” as our commitment.

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