



Consolidated Financial Results for the First Quarter Fiscal 2012

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SHARP CORPORATION

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- (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 Quarter

(Billions of Yen)

	FY2011	FY2012	
	1Q	1Q	Change
Net Sales	640.3	458.6	-28.4%
Operating Income	3.5	-94.1	-
Net Income	-49.2	-138.4	-

Exchange Rate (Average)

(Yen)

U.S. Dollar	80.75	79.21
Euro	115.90	101.41

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Extraordinary Items in Other Expenses

(Billions of Yen)

	FY2011	FY2012	
	1Q	1Q	Difference
Loss on sales and retirement of noncurrent assets	1.1	1.2	+0.1
Loss on valuation of investment securities	0.0	1.1	+1.1
Loss on suspension of large-size LCD plant operation	25.8	0.0	-25.8
Restructuring charges	6.6	14.2	+7.5
Settlement package	8.6	15.8	+7.2

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II . Information by Product Group

Sales by Product Group

(Billions of Yen)

	FY2011 1Q	FY2012		
		1Q	Change	Difference
Audio-Visual and Communication Equipment	297.6	134.1	-54.9%	-163.5
Health and Environmental Equipment	74.3	78.2	+5.3%	+3.9
Information Equipment	66.1	64.7	-2.1%	-1.4
Consumer/Information Products	438.2	277.2	-36.7%	-161.0
LCDs	188.0	145.9	-22.4%	-42.1
Solar Cells	51.3	41.9	-18.2%	-9.3
Other Electronic Devices	45.5	47.4	+4.2%	+1.9
Electronic Components	284.8	235.2	-17.4%	-49.5
Sub Total	723.1	512.5	-29.1%	-210.5
Adjustments	-82.7	-53.9	-	+28.8
Total	640.3	458.6	-28.4%	-181.7

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

Operating Income by Product Group

(Billions of Yen)

	FY2011 1Q	FY2012		
		1Q	Change	Difference
Audio-Visual and Communication Equipment	7.5	-20.2	-	-27.7
Health and Environmental Equipment	6.7	8.2	+22.7%	+1.5
Information Equipment	5.8	2.3	-60.0%	-3.5
Consumer/Information Products	20.0	-9.6	-	-29.7
LCDs	-4.6	-63.4	-	-58.8
Solar Cells	-3.7	-6.9	-	-3.1
Other Electronic Devices	0.4	-5.0	-	-5.4
Electronic Components	-7.9	-75.4	-	-67.4
Sub Total	12.1	-85.1	-	-97.2
Adjustments	-8.5	-9.0	-	-0.4
Total	3.5	-94.1	-	-97.6

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Audio-Visual and Communication Equipment

(Billions of Yen)

	FY2011	FY2012						FY2012	
	Apr. – Jun.	Apr. – Jun.		Apr. – Sep.		Apr. – Mar.		Apr. – Mar.	
		Change (Y on Y)	Revised Forecast	Change (Y on Y)	Revised Forecast	Change (Y on Y)	Previous Forecast	Change (Y on Y)	
Sales *	297.6	134.1	-54.9%	320.0	-44.9%	690.0	-35.0%	920.0	-13.3%
Operating Income	7.5	-20.2	-	-23.0	-	-17.0	-	-5.0	-

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

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LCD TVs

(Billions of Yen)

	FY2011	FY2012						FY2012	
	Apr. – Jun.	Apr. – Jun.		Apr. – Sep.		Apr. – Mar.		Apr. – Mar.	
		Change (Y on Y)	Revised Forecast	Change (Y on Y)	Revised Forecast	Change (Y on Y)	Previous Forecast	Change (Y on Y)	
Sales	154.3	77.7	-49.6%	170.0	-45.4%	350.0	-39.8%	500.0	-14.0%
Units (Million units)	3.29	1.66	-49.4%	3.75	-45.5%	8.00	-34.9%	10.00	-18.7%

[1Q]

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

[Initiatives for 2Q onwards]

- Work to expand sales in emerging countries where market growth is expected

	2011/1H	2011/2H	2012/1H	2012/2H	
Japan	3.88	1.95	0.90	1.10	(Million units)
Overseas	2.99	3.45	2.85	3.15	

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Mobile Phones

(Billions of Yen)

	FY2011	FY2012						FY2012	
	Apr. – Jun.	Apr. – Jun.	Apr. – Sep.		Apr. – Mar.		Apr. – Mar.		
			Change (Y on Y)	Revised Forecast	Change (Y on Y)	Revised Forecast	Change (Y on Y)	Previous Forecast	Change (Y on Y)
Sales	92.5	29.2	-68.4%	100.6	-41.7%	240.0	-21.5%	280.0	-8.5%
Units (Million units)	2.10	0.77	-63.1%	2.67	-34.9%	6.30	-18.2%	7.70	0.0%

[1Q]

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

[Initiatives for 2Q 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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Health and Environmental Equipment

(Billions of Yen)

	FY2011	FY2012						FY2012	
	Apr. – Jun.	Apr. – Jun.	Apr. – Sep.		Apr. – Mar.		Apr. – Mar.		
			Change (Y on Y)	Revised Forecast	Change (Y on Y)	Revised Forecast	Change (Y on Y)	Previous Forecast	Change (Y on Y)
Sales *	74.3	78.2	+5.3%	160.0	+8.3%	320.0	+9.5%	320.0	+9.5%
Operating Income	6.7	8.2	+22.7%	15.0	-2.6%	32.0	+8.6%	32.0	+8.6%

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

[1Q]

- Strong sales of air conditioners and refrigerators in overseas market

[Initiatives for 2Q onwards]

- Work to expand applications of products equipped with Plasmacluster Ion technology and to deploy them in the global market
- Enhance overseas sales by increasing production capacity in Asia

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Information Equipment

(Billions of Yen)

	FY2011	FY2012						FY2012	
	Apr. – Jun.	Apr. – Jun.	Apr. – Sep.		Apr. – Mar.		Apr. – Mar.		
			Change (Y on Y)	Revised Forecast	Change (Y on Y)	Revised Forecast	Change (Y on Y)	Previous Forecast	Change (Y on Y)
Sales *	66.1	64.7	-2.1%	140.0	+0.9%	290.0	+4.5%	310.0	+11.7%
Operating Income	5.8	2.3	-60.0%	9.0	-41.6%	22.0	-20.7%	31.0	+11.7%

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

[1Q]

- Freeze in corporate investment due to sense of uncertainty in economy
- Decrease in profit due to reduction of inventory from previous fiscal year

[Initiatives for 2Q onwards]

- Work to expand solutions businesses in new markets such as interactive whiteboard and multi-screen display systems

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LCDs

(Billions of Yen)

	FY2011	FY2012						FY2012	
	Apr. – Jun.	Apr. – Jun.	Apr. – Sep.		Apr. – Mar.		Apr. – Mar.		
			Change (Y on Y)	Revised Forecast	Change (Y on Y)	Revised Forecast	Change (Y on Y)	Previous Forecast	Change (Y on Y)
Sales *	188.0	145.9	-22.4%	370.0	-9.7%	900.0	+24.8%	930.0	+29.0%
Operating Income	-4.6	-63.4	-	-100.0	-	-105.0	-	-10.0	-

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

[1Q]

- Small- and medium-size LCD: Delay in orders from major customers and decrease in plant utilization
- Large-size LCD: Production adjustments to prioritize optimization of inventory level

[Initiatives for 2Q onwards]

- Small- and medium-size LCD: Start mass production of Kameyama No.1 and respond to increase in demand associated with launch of Windows 8
- Large-size LCD: Pursue production and sales based on demand trends and strengthen efforts on optimizing inventory level
Maintain stable plant operation based on alliance with Hon Hai Group

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Solar Cells

(Billions of Yen)

	FY2011	FY2012						FY2012	
	Apr. – Jun.	Apr. – Jun.	Apr. – Sep.		Apr. – Mar.		Apr. – Mar.		
			Change (Y on Y)	Revised Forecast	Change (Y on Y)	Revised Forecast	Change (Y on Y)	Previous Forecast	Change (Y on Y)
Sales *	51.3	41.9	-18.2%	100.0	-9.6%	260.0	+16.1%	260.0	+16.1%
(MW)	259	253	-2.4%	600	+3.9%	1,400	+30.4%	1,400	+30.4%
Operating Income	-3.7	-6.9	-	-10.0	-	-10.0	-	-10.0	-

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

[1Q]

➤ **Worsened business conditions in overseas market, intense competition in Japan, ongoing price erosions**

[Initiatives for 2Q onwards]

➤ **Promote involvement in projects relating to mega solar power generation systems and power generation businesses, with the start of upgraded feed-in tariff system in Japan as a backdrop**

➤ **Expand businesses in downstream areas**

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Other Electronic Devices

(Billions of Yen)

	FY2011	FY2012						FY2012	
	Apr. – Jun.	Apr. – Jun.	Apr. – Sep.		Apr. – Mar.		Apr. – Mar.		
			Change (Y on Y)	Revised Forecast	Change (Y on Y)	Revised Forecast	Change (Y on Y)	Previous Forecast	Change (Y on Y)
Sales *	45.5	47.4	+4.2%	110.0	-4.7%	260.0	+9.2%	260.0	+9.2%
Operating Income	0.4	-5.0	-	-4.0	-	0.0	-	12.0	+26.1%

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

[1Q]

➤ **Strong sales of camera modules**

➤ **Recorded operating loss mainly due to increased competition on devices for digital appliances such as LCD TVs**

[Initiative for 2Q onwards]

➤ **Work to boost sales of devices for lighting such as LED**

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III. Revision of Financial Results Forecast for Fiscal 2012

Sales by Product Group

(Billions of Yen)

	FY2012	FY2012				
	Apr. – Mar.	Apr. – Sep.		Apr. – Mar.		
	Prev. Forecast	Revised Forecast	Change (Y on Y)	Revised Forecast	vs. Previous Forecast	Change (Y on Y)
Audio-Visual and Communication Equipment	920.0	320.0	-44.9%	690.0	-230.0	-35.0%
Health and Environmental Equipment	320.0	160.0	+8.3%	320.0	0.0	+9.5%
Information Equipment	310.0	140.0	+0.9%	290.0	-20.0	+4.5%
Consumer/Information Products	1,550.0	620.0	-28.5%	1,300.0	-250.0	-20.3%
LCDs	930.0	370.0	-9.7%	900.0	-30.0	+24.8%
Solar Cells	260.0	100.0	-9.6%	260.0	0.0	+16.1%
Other Electronic Devices	260.0	110.0	-4.7%	260.0	0.0	+9.2%
Electronic Components	1,450.0	580.0	-8.8%	1,420.0	-30.0	+20.0%
Sub Total	3,000.0	1,200.0	-20.2%	2,720.0	-280.0	-3.3%
Adjustments	-300.0	-100.0	-	-220.0	+80.0	-
Total	2,700.0	1,100.0	-16.3%	2,500.0	-200.0	+1.8%

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

Operating Income by Product Group

(Billions of Yen)

	FY2012	FY2012				
	Apr. – Mar.	Apr. – Sep.		Apr. – Mar.		
	Prev. Forecast	Revised Forecast	Change (Y on Y)	Revised Forecast	vs. Previous Forecast	Change (Y on Y)
Audio-Visual and Communication Equipment	-5.0	-23.0	-	-17.0	-12.0	-
Health and Environmental Equipment	32.0	15.0	-2.6%	32.0	0.0	+8.6%
Information Equipment	31.0	9.0	-41.6%	22.0	-9.0	-20.7%
Consumer/Information Products	58.0	1.0	-97.8%	37.0	-21.0	-27.5%
LCDs	-10.0	-100.0	-	-105.0	-95.0	-
Solar Cells	-10.0	-10.0	-	-10.0	0.0	-
Other Electronic Devices	12.0	-4.0	-	0.0	-12.0	-
Electronic Components	-8.0	-114.0	-	-115.0	-107.0	-
Sub Total	50.0	-113.0	-	-78.0	-128.0	-
Adjustments	-30.0	-17.0	-	-22.0	+8.0	-
Total	20.0	-130.0	-	-100.0	-120.0	-

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Capital Investment / Depreciation and Amortization / R&D Expenditures / Exchange Rate

(Billions of Yen)

	FY2012			
	Apr. – Jun.	Change (Y on Y)	Apr. – Mar. (Forecast)	Change (Y on Y)
Capital Investment	37.7	+253.6%	90.0	-24.3%
Depreciation and Amortization	52.4	-10.6%	200.0	-16.3%
R&D Expenditures	41.4	-4.0%	140.0	-9.6%

Exchange Rate (Average)

(Yen)

U.S. Dollar	79.21	78.00
Euro	101.41	100.00

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Measures to Improve Financial Strength by ¥400 billion in Total (by the end of FY2012)

Off-balance-sheet arrangements of large-size LCD business	Decrease in assets and liabilities	¥ 110.0 billion
Issue new shares through third-party allotment	Increase in equity	¥ 66.9 billion
Reduce inventories and noncurrent assets	Decrease in inventories and noncurrent assets	¥ 150.0 billion
Reduce capital investment	Improve cash flows	¥ 70.0 billion

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Reduction Targets of Inventory and Interest-Bearing Debt

(Billions of Yen)

	End of FY2011	End of 1Q, FY2012		End of FY2012	
			vs. End of FY2011	(Target)	vs. End of FY2011
Inventory	527.4	513.7	-13.7	400.0	-127.4
vs. monthly sales	2.6 months	3.4 months	+0.8 months	1.9 months	-0.7 months
Interest- bearing debt	1,127.1	1,252.0	+124.8	900.0	-227.1

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Forecast of Financial Results

(Billions of Yen)

	FY2012								
	Apr. – Sep.			Oct. – Mar.			Apr. – Mar.		
	Previous	Revised	Difference	Previous	Revised	Difference	Previous	Revised	Difference
Net Sales	1,180.0	1,100.0	-80.0	1,520.0	1,400.0	-120.0	2,700.0	2,500.0	-200.0
Operating Income	-45.0	-130.0	-85.0	65.0	30.0	-35.0	20.0	-100.0	-120.0
Net Income	-70.0	-210.0	-140.0	40.0	-40.0	-80.0	-30.0	-250.0	-220.0

Considering this revision of financial results forecast, current financial position and other factors, Sharp has decided not to pay interim and year-end dividends for fiscal 2012

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IV. Measures to Reinforce Business Foundations

(1) Response to Underperforming Businesses

1. Operations at Sakai Plant

2. Initiatives on Small- and Medium-size LCDs

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1. Operations at Sakai Plant

[Status of 1Q]

- Low utilization rate due to decline in demand and efforts to prioritize inventory reduction
- While the inventory level reduced as planned, price decline led to additional cost
- ◆ Utilization rate: around 30%

[Forecast for 2Q]

- Steady progress of LCD panel purchase by Hon Hai
- Order increase from external customers of Sharp
- ◆ Utilization rate: around 80%

[Forecast for 3Q onwards]

- Steady progress of LCD panel purchase by Hon Hai
- Order increase from external customers of Sharp
- ◆ Utilization rate: around 80% to 90%

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2. Initiatives on Small- and Medium-size LCDs

(1) Mie Plant / Tenri Plant

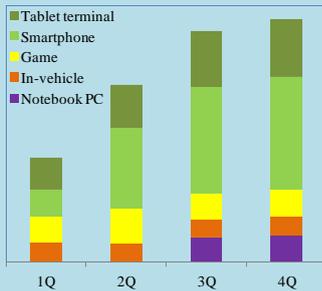
Full-capacity operation backed by strong demand of LCDs for smartphones and in-vehicle use

(2) Kameyama No. 1 Plant

Preparing to start mass production from August, as a plant that specialize in smartphone LCDs

(3) Kameyama No. 2 Plant

Serving as the engine for growth by utilizing its capability to produce medium-size LCDs with high-definition and low power consumption, mainly for tablet terminals and ultrabook™ PCs



[Issues]

- Significant decline in operation and recording of loss due to decrease in orders from major customers
- Delay in launch timing of products incorporating new LCD panels (IGZO) and new applications (ultrabook PC, etc.).

[Countermeasures]

- Expand applications
 - Increase demand from major customers
- Resolve loss from low operation

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(2) Action Items to Ensure Profit Recovery from FY2013 Onwards

[Action items]

Labor cost:	¥40.0 billion
Depreciation and amortization:	¥30.0 billion
Other fixed costs:	¥30.0 billion



Reduction target of fixed costs: ¥100.0 billion

Build up the muscles of business foundations to a level that can still earn a profit under severe business conditions

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(3) Restructuring Initiatives toward New Growth

**Restructure organization and operations
to shift to growth areas**

- 1. Reorganization of business groups**
- 2. Review of framework at plants/bases**
- 3. Streamlining of head office**
- 4. Personnel downsizing**

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1. Reorganization of Business Groups

Reorganize & consolidate to four business groups

- (1) Digital Information Appliances Group**
 - Offer new ways of digital lifestyle through expanding lineup of products featuring IGZO technology
- (2) Health, Environment and Energy Solutions Group**
 - Expand B2B business by setting up PCI* & LED Business Group
 - Expand business in downstream areas by focusing on energy-saving, energy-creating, energy-storing and energy-controlling
 - Actively promote business expansion in ASEAN
- (3) Business Solutions Group**
 - Reorganization of sales & marketing framework to strengthen B2B business
- (4) Devices Group**
 - Expand application of IGZO technology and develop new customers
 - Development of new devices by the fusion of proprietary devices

* Plasmacluster Ion

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2. Review of Framework at Plants/Bases

- Downscaling of Tochigi Plant
- Downscaling of Katsuragi Plant

3. Streamlining of Head Office

- Work to realize “a small and robust head office”
- Enhance strategic function and control function


Consolidate and reduce business groups
Personnel downsizing


Speed up decision making

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4. Personnel Downsizing

Solicit voluntary retirement in addition to mandatory retirement and off-balance-sheet arrangements


Reduce 5,000 employees in total by the end of March 2013

	End of March, 2012	End of March, 2013	Decrease
Number of employees (Consolidated)	56,756	Approx. 51,700	Approx. 5,000

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