



Consolidated Financial Results for the First Quarter Fiscal 2013

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III. Financial Results Forecast for Fiscal 2013

SHARP CORPORATION

August 1, 2013

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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 Fiscal 2013

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Financial Results for the First Quarter

- *Net sales in 1Q improved 32.6% Y on Y*
- *Achieved positive operating income for three consecutive quarters from 3Q FY2012*
- *Net sales, operating income, and net income exceeded original forecast*

(Billions of Yen)

	FY2012	FY2013		
	1Q	1Q	Change	Difference
Net Sales	458.6	607.9	+32.6%	+149.3
Operating Income (vs. sales)	-94.1 (-20.5%)	3.0 (0.5%)	-	+97.1
Net Income (vs. sales)	-138.4 (-30.2%)	-17.9 (-3.0%)	-	+120.4

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Sales by Product Group

Sales in all the product groups increased Y on Y

(Billions of Yen)

	FY2012	FY2013		
	1Q	1Q	Change	Difference
Digital Information Equipment	134.1	158.9	+18.5%	+24.8
Health and Environmental Equipment	78.2	82.3	+5.2%	+4.0
Solar Cells	41.9	84.3	+101.1%	+42.3
Business Solutions	64.7	77.6	+20.0%	+12.9
Product Business	319.0	403.3	+26.4%	+84.2
LCDs	145.9	193.8	+32.8%	+47.8
Electronic Devices	47.4	61.2	+29.0%	+13.7
Device Business	193.4	255.0	+31.9%	+61.6
Sub Total	512.4	658.3	+28.5%	+145.8
Adjustments	-53.8	-50.4	-	+3.4
Total	458.6	607.9	+32.6%	+149.3

*Sales of each product group include internal sales between segments (Product Business / Device Business)

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Operating Income by Product Group

- All the product groups excluding Health and Environmental Equipment improved Y on Y
- Due to negative impact of the yen's rapid depreciation, operating income in Health and Environmental Equipment decreased

(Billions of Yen)

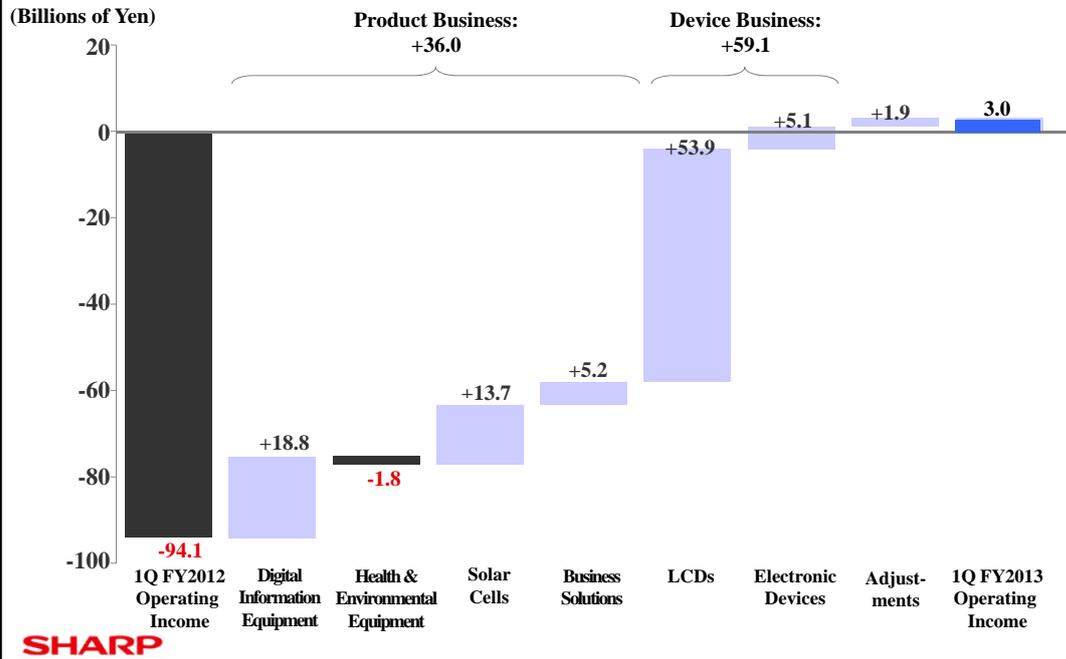
	FY2012		FY2013		
	1Q		1Q		Difference
Digital Information Equipment	-20.2	(-15.1%)	-1.3	(-0.9%)	+18.8
Health and Environmental Equipment	8.2	(10.5%)	6.4	(7.8%)	-1.8
Solar Cells	-6.9	(-16.5%)	6.8	(8.1%)	+13.7
Business Solutions	2.3	(3.6%)	7.5	(9.8%)	+5.2
Product Business	-16.5	(-5.2%)	19.4	(4.8%)	+36.0
LCDs	-63.4	(-43.5%)	-9.5	(-4.9%)	+53.9
Electronic Devices	-5.0	(-10.6%)	0.1	(0.2%)	+5.1
Device Business	-68.5	(-35.4%)	-9.3	(-3.7%)	+59.1
Sub Total	-85.1	(-16.6%)	10.0	(1.5%)	+95.2
Adjustments	-9.0		-7.0		+1.9
Total	-94.1	(-20.5%)	3.0	(0.5%)	+97.1

*The percentage figures noted in brackets show the income ratio

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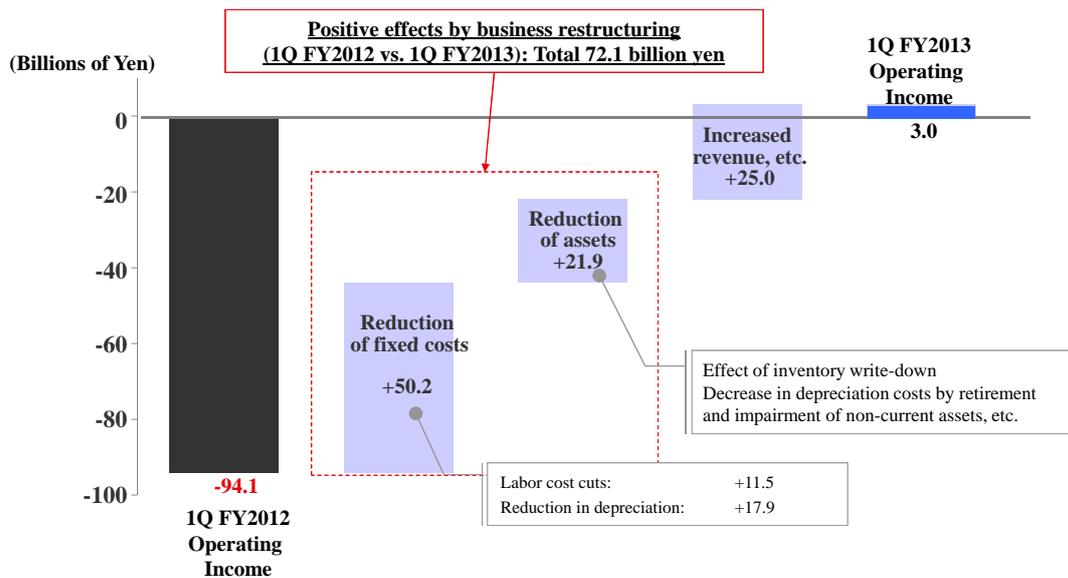
Breakdown of Operating Income by Product Group (comparison of 1Q FY2012 and 1Q FY2013)



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Breakdown of Operating Income by Factors (comparison of 1Q FY2012 and 1Q FY2013)

Reduction in fixed costs and assets contributed to turnaround in 1Q FY2013



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Other Income (Expenses)

- *Completion of recording majority of costs for business restructuring in FY2012 contributed to significant improvement in other income (expenses), despite an increase of interest expense in 1Q FY2013*

(Billions of Yen)

	FY2012		FY2013	
	1Q	1Q	1Q	Difference
Operating Income	-94.1	3.0	3.0	+97.1
Other Income (Expenses)	-42.1	-16.8	-16.8	+25.2
Interest expense	-2.0	-4.2	-4.2	-2.2
Loss on sales and retirement of noncurrent assets	-1.2	-0.1	-0.1	+1.1
Loss on valuation of investment securities	-1.1	0.0	0.0	+1.1
Restructuring charges	-14.2	0.0	0.0	+14.2
Settlement package	-15.8	0.0	0.0	+15.8
Provision for loss on litigation	0.0	-1.0	-1.0	-1.0
Others	-7.5	-11.4	-11.4	-3.8
Income Taxes, etc.	-2.1	-4.1	-4.1	-1.9
Net Income	-138.4	-17.9	-17.9	+120.4

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Consolidated Balance Sheets

Equity ratio remained 6.0% at the same level as end Mar. 2013

(Billions of Yen)

	FY2012		FY2013	
	End of Jun. 2012	End of Mar. 2013	End of Jun. 2013	End of Jun. 2013
Cash, time deposits, and short-term investments	217.6	191.9	154.6	
Notes and accounts receivable	377.5	558.2	516.0	
Inventories	513.7	310.7	356.2	
Other current assets	272.0	160.9	172.7	
Current Assets	1,381.0	1,221.8	1,199.6	
Plant and Equipment	861.9	563.6	554.2	
Investments and Other Assets	275.6	301.6	298.0	
Deferred Assets	1.8	0.6	0.3	
Total assets	2,520.5	2,087.7	2,052.2	
Commercial paper	362.4	0.0	0.0	
Short-term borrowings	718.8	924.1	740.4	
Notes and accounts payable	397.6	405.6	425.4	
Other current liabilities	355.2	337.7	287.9	
Current Liabilities	1,471.7	1,667.5	1,453.7	
Long-term Liabilities	569.9	285.3	465.4	
Liabilities	2,041.6	1,952.9	1,919.2	
Net Assets	478.8	134.8	133.0	
Total liabilities and net assets	2,520.5	2,087.7	2,052.2	
Equity Ratio	18.7%	6.0%	6.0%	

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Implementation of the Medium-Term Management Plan (April-June 2013)

<Exit Closed Innovation and Aggressively Utilize Alliances >

- The implementation of the second third party allotment capital increase to Qualcomm according to the agreement concerning the development of MEMS displays. (Sharp has received 5.9 billion yen for the second issuance of new shares, 10.8 billion yen in sum total.)
- The execution of the agreement with China Electronics Corporation (CEC) for LCD panel production project in China.
 - Sharp to provide its technologies of high-definition TFT LCD panel and module to CEC, and to take part in a joint venture for producing LCD panels and modules using 8.5th generation glass substrates.

<Reducing Fixed Costs by Reformation of Cost Structure>

- The reduction in fix costs under progress as planned: 50.2 billion yen (vs. FY2012)
 - Labor cost cuts: 11.5 billion yen
 - Reduction in depreciation: 17.9 billion yen

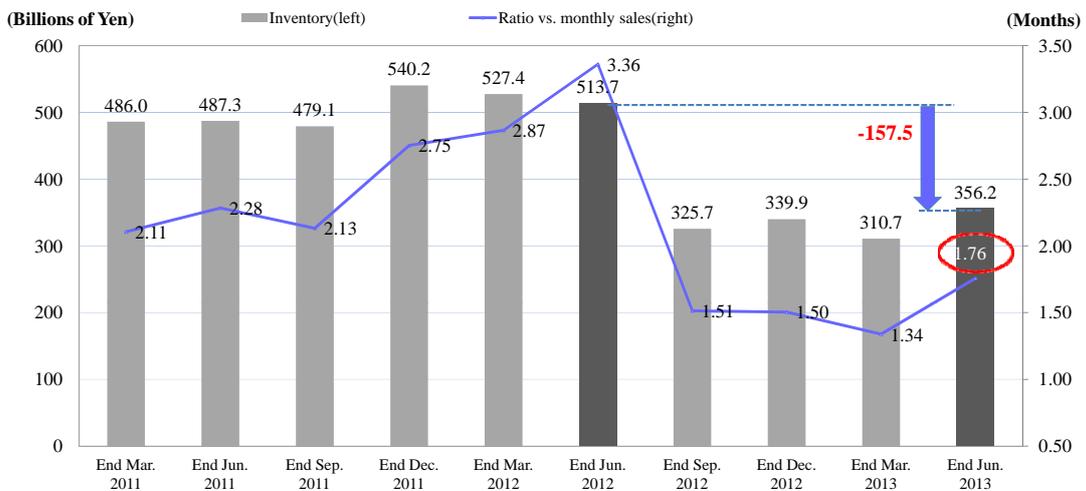
<Improving Financial Position>

- Stable funding through the renewal of the syndicated loan of 360 billion yen, and the arrangement for additional borrowing facility of 150 billion yen in preparation for redemption of convertible bonds.

“Asset Light” Approach [Transition of Inventory]

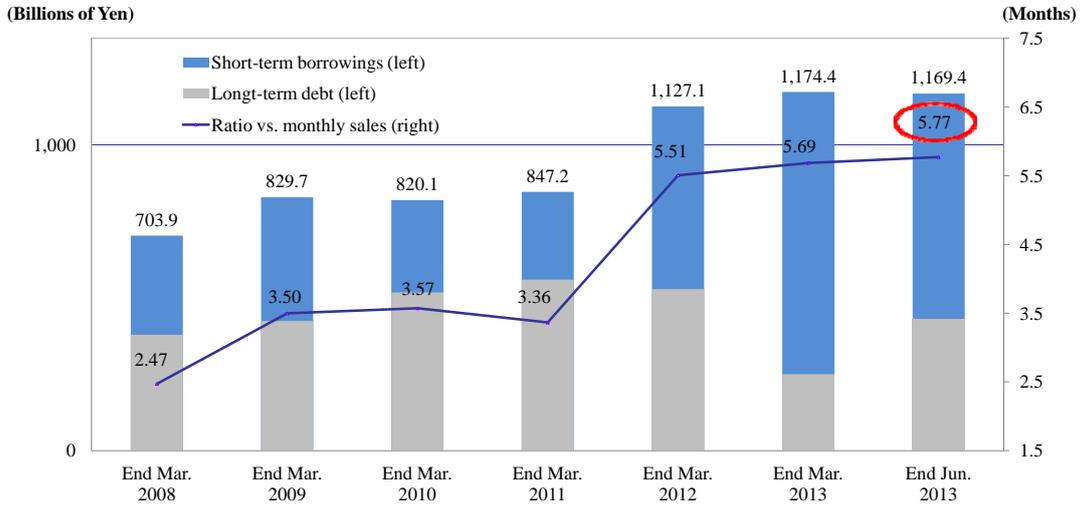
-Inventory reduced by 157.5 billion yen compared to end Jun. 2012

-Inventory increased by 45.5 billion yen compared to end Mar. 2013, due to increased inventories of small- and medium-size LCDs, Solar Cells, etc. for strong demand in and after 2Q, and the inflated yen equivalent of inventories by yen depreciation



Transition of Interest-bearing Debt

As of end Jun. 2013, interest-bearing debt remained the same level of end Mar. 2013



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II . Information by Product Group

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Digital Information Equipment

(Billions of Yen / Million Unit)

	FY2012		FY2013				FY2013		
	1Q	Full Year	1Q	Change (Y on Y)	Revised Full Year Forecast	Change (Y on Y)	Previous Full Year Forecast	Change (Y on Y)	
Sales	134.1	732.6	158.9	+18.5%	730.0	-0.4%	760.0	+3.7%	
LCD TVs	Amt	77.7	388.4	80.3	+3.4%	400.0	+3.0%	400.0	+3.0%
	Unit	1.67	8.03	1.56	-6.2%	8.00	-0.4%	8.00	-0.4%
Mobile Phones	Amt	29.2	229.6	50.2	+71.8%	210.0	-8.5%	240.0	+4.5%
	Unit	0.78	6.11	1.31	+69.1%	5.50	-10.0%	6.80	+11.3%
Operating Income	-20.2	-9.8	-1.3	-	5.0	-	12.0	-	
(vs. sales)	(-15.1%)	(-1.3%)	(-0.9%)		(0.7%)		(1.6%)		

* Sales of product group including internal sales between segments (Product Business / Device Business)

[1Q]

➤ Sales and operating income improved, compared to 1Q FY2012 with slow sales due to mainly to demand decrease in Japanese market of LCD TV and lack of procurement of major components for mobile phones.

[Onward Actions]

➤ Revise full year forecast of sales and operating income based on sales prospect of mobile phones from 2Q onward
 ➤ Aim to achieve positive annual operating income in FY2013

(LCD TVs)

- Shift to large-screen models over 60 inches (up to 90 inches) and enhance product lineup
- Introduce locally adapted products into significant markets such as emerging countries

(Mobile Phones)

- Win back market share in Japan by enhancing the lineup centering on 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)

	FY2012		FY2013				FY2013	
	1Q	Full Year	1Q	Change (Y on Y)	Revised Full Year Forecast	Change (Y on Y)	Previous Full Year Forecast	Change (Y on Y)
Sales	78.2	309.6	82.3	+5.2%	320.0	+3.3%	320.0	+3.3%
Operating Income	8.2	32.2	6.4	-22.1%	20.0	-37.9%	20.0	-37.9%
(vs. sales)	(10.5%)	(10.4%)	(7.8%)		(6.3%)		(6.3%)	

* Sales of product group including internal sales between segments (Product Business / Device Business)

[1Q]

➤ Sales of air conditioners and air purifiers were strong
 ➤ The profitability of imported products for Japanese market became worse due to the rapid yen depreciation

[Onward Actions]

➤ Expand overseas business centering on ASEAN region
 ➤ Minimize the influence of exchange rate fluctuations by promoting local production for local consumption

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Solar Cells

(Billions of Yen)

	FY2012		FY2013				FY2013	
	1Q	Full Year	1Q	Change (Y on Y)	Revised Full Year Forecast	Change (Y on Y)	Previous Full Year Forecast	Change (Y on Y)
Sales	41.9	259.9	84.3	+101.1%	310.0	+19.3%	280.0	+7.7%
Volume (MW)	253	1,319	343	+35.7%	1,800	+36.4%	1,600	+21.3%
Operating Income (vs. sales)	-6.9 (-16.5%)	-4.4 (-1.7%)	6.8 (8.1%)	-	13.0 (4.2%)	-	6.0 (2.1%)	-

* Sales of product group including internal sales between segments (Product Business / Device Business)

[1Q]

➤ Sales increased in Japan for residential and industrial use (e.g. mega-solar power generation plants)

[Onward Actions]

➤ Revise full year forecast upward based on the recent positive results

➤ Secure profitability by expanding sales in Japanese market with steady demand

<Residential use> - Expand product lineup to cover various shapes of roof and enhance sales and promotions
- Expand sales of systems integrating HEMS and storage battery

<Industrial use> - Complete construction through ensuring timely product supply and construction supports
- Secure mega-solar power generation projects by strengthening design and sales functions

<Overseas> - Expand solution and developer businesses

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Business Solutions

(Billions of Yen)

	FY2012		FY2013				FY2013	
	1Q	Full Year	1Q	Change (Y on Y)	Revised Full Year Forecast	Change (Y on Y)	Previous Full Year Forecast	Change (Y on Y)
Sales	64.7	296.9	77.6	+20.0%	310.0	+4.4%	310.0	+4.4%
Operating Income (vs. sales)	2.3 (3.6%)	24.3 (8.2%)	7.5 (9.8%)	+223.8%	22.0 (7.1%)	-9.6%	22.0 (7.1%)	-9.6%

* Sales of product group including internal sales between segments (Product Business / Device Business)

[1Q]

➤ Strong sales of color MFPs in both Japanese and overseas markets

➤ Sales of information displays increased overseas

[Onward Actions]

➤ Expand sales of high-speed MFPs in developed countries

➤ Promote shift to color MFPs in emerging countries

➤ Develop new customers by offering enhanced solutions and services through combination of MFPs and displays

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LCDs

(Billions of Yen)

	FY2012		FY2013				FY2013	
	1Q	Full Year	1Q	Change (Y on Y)	Revised Full Year Forecast	Change (Y on Y)	Previous Full Year Forecast	Change (Y on Y)
Sales	145.9	846.8	193.8	+32.8%	970.0	+14.5%	970.0	+14.5%
Operating Income (vs. sales)	-63.4 (-43.5%)	-138.9 (-16.4%)	-9.5 (-4.9%)	-	30.0 (3.1%)	-	30.0 (3.1%)	-

* Sales of product group including internal sales between segments (Product Business / Device Business)

[1Q]

- In 1Q FY2012, huge loss recorded due to reduction of operation of the large-size LCD plants and postponed orders of small- and medium-size LCDs from major customers.
- In 1Q FY2013, strong sales recorded in large-size LCDs to external customers and in small- and medium-size LCDs due to increased demands of smartphone and tablet devices.
- Strategic partnership contributed to maintaining the utilization rate of Kameyama plant No.2 at the level as planned

[Onward Actions]

- Stabilize and expand business by promoting design-in activities with new major customers
- Shift to high value-added panels such IGZO LCDs (featuring high definition and low power consumption)
- Streamline and optimize production, sales and inventory of TV panels by closely monitoring supply and demand trend

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Electronic Devices

(Billions of Yen)

	FY2012		FY2013				FY2013	
	1Q	Full Year	1Q	Change (Y on Y)	Revised Full Year Forecast	Change (Y on Y)	Previous Full Year Forecast	Change (Y on Y)
Sales	47.4	270.6	61.2	+29.0%	320.0	+18.2%	320.0	+18.2%
Operating Income (vs. sales)	-5.0 (-10.6%)	-15.5 (-5.7%)	0.1 (0.2%)	-	12.0 (3.8%)	-	12.0 (3.8%)	-

* Sales of product group including internal sales between segments (Product Business / Device Business)

[1Q]

- Strong sales of camera modules for mobile devices

[Onward Actions]

- Expand sales of camera modules for mobile devices to develop new customers
- Enhance sales of sensor components to be applied in security, in-vehicle and medical fields
- Enhance sales of system devices such as touchscreen, optical sensor, and power devices
- Promote sales of lighting devices such as LED

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III. Financial Results Forecast for Fiscal 2013

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Consolidated Financial Results Forecast for Fiscal 2013

- Aim to achieve positive results of net income in FY2013
- Annual financial results forecast remains as planned, due to unpredictable business environment such as exchange fluctuations and global economic uncertainty, while the financial results in 1Q FY2013 exceeded original plan

(Billions of Yen)

	FY2013							
	1Q	Change (Y on Y)	1H Forecast	Change (Y on Y)	2H Forecast	Change (Y on Y)	Full Year Forecast	Change (Y on Y)
Net Sales	607.9	+32.6%	1,270.0	+15.0%	1,430.0	+4.0%	2,700.0	+8.9%
Domestic	258.8	+38.1%	500.0	+9.7%	520.0	-5.7%	1,020.0	+1.3%
Overseas	349.1	+28.7%	770.0	+18.7%	910.0	+10.6%	1,680.0	+14.2%
Operating Income	3.0	-	15.0	-	65.0	+187.2%	80.0	-
Net Income	-17.9	-	-20.0	-	25.0	-	5.0	-

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Sales by Quarter (from 1Q FY2012 through 1Q FY2013)

- Product Business -

Revise full year forecast of Digital Information Equipment and Solar Cells

(Billions of Yen)

	FY2012					FY2013			FY2013	
	1Q	2Q	3Q	4Q	Full Year	1Q	Revised Full Year Forecast	Change (Y on Y)	Previous Full Year Forecast	Change (Y on Y)
Digital Information Equipment	134.1	204.4	202.3	191.6	732.6	158.9	730.0	-0.4%	760.0	+3.7%
Health and Environmental Equipment	78.2	76.7	74.8	79.8	309.6	82.3	320.0	+3.3%	320.0	+3.3%
Solar Cells	41.9	51.1	55.9	110.8	259.9	84.3	310.0	+19.3%	280.0	+7.7%
Business Solutions	64.7	74.2	69.6	88.3	296.9	77.6	310.0	+4.4%	310.0	+4.4%
Product Business	319.0	406.5	402.8	470.6	1,599.2	403.3	1,670.0	+4.4%	1,670.0	+4.4%

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Sales by Quarter (from 1Q FY2012 through 1Q FY2013)

- Device Business and TOTAL -

(Billions of Yen)

	FY2012					FY2013			FY2013	
	1Q	2Q	3Q	4Q	Full Year	1Q	Revised Full Year Forecast	Change (Y on Y)	Previous Full Year Forecast	Change (Y on Y)
LCDs	145.9	222.1	258.2	220.5	846.8	193.8	970.0	+14.5%	970.0	+14.5%
Electronic Devices	47.4	78.9	82.2	62.0	270.6	61.2	320.0	+18.2%	320.0	+18.2%
Device Business	193.4	301.0	340.4	282.6	1,117.5	255.0	1,290.0	+15.4%	1,290.0	+15.4%
Sub Total	512.4	707.6	743.3	753.2	2,716.7	658.3	2,960.0	+9.0%	2,960.0	+9.0%
Adjustments	-53.8	-62.0	-65.0	-57.1	-238.1	-50.4	-260.0	-	-260.0	-
Total	458.6	645.5	678.2	696.1	2,478.5	607.9	2,700.0	+8.9%	2,700.0	+8.9%

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Operating Income by Quarter (from 1Q Fiscal 2012 through 1Q Fiscal 2013)

- Product Business -

Revise full year forecast of Digital Information Equipment and Solar Cells

(Billions of Yen)

	FY2012					FY2013			FY2013	
	1Q	2Q	3Q	4Q	Full Year	1Q	Revised Full Year Forecast	Difference (Y on Y)	Previous Full Year Forecast	Difference (Y on Y)
Digital Information Equipment	-20.2 (-15.1%)	-0.9 (-0.5%)	5.3 (2.6%)	6.0 (3.1%)	-9.8 (-1.3%)	-1.3 (-0.9%)	5.0 (0.7%)	+14.8	12.0 (1.6%)	+21.8
Health and Environmental Equipment	8.2 (10.5%)	9.0 (11.9%)	7.4 (10.0%)	7.3 (9.3%)	32.2 (10.4%)	6.4 (7.8%)	20.0 (6.3%)	-12.2	20.0 (6.3%)	-12.2
Solar Cells	-6.9 (-16.5%)	-5.3 (-10.5%)	-1.9 (-3.4%)	9.7 (8.8%)	-4.4 (-1.7%)	6.8 (8.1%)	13.0 (4.2%)	+17.4	6.0 (2.1%)	+10.4
Business Solutions	2.3 (3.6%)	4.6 (6.2%)	6.3 (9.1%)	11.0 (12.5%)	24.3 (8.2%)	7.5 (9.8%)	22.0 (7.1%)	-2.3	22.0 (7.1%)	-2.3
Product Business	-16.5 (-5.2%)	7.3 (1.8%)	17.2 (4.3%)	34.1 (7.3%)	42.1 (2.6%)	19.4 (4.8%)	60.0 (3.6%)	+17.8	60.0 (3.6%)	+17.8

*The percentage figures noted in brackets show the income ratio

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Operating Income by Quarter (from 1Q FY2012 through 1Q FY2013)

- Device Business and TOTAL -

(Billions of Yen)

	FY2012					FY2013			FY2013	
	1Q	2Q	3Q	4Q	Full Year	1Q	Revised Full Year Forecast	Difference (Y on Y)	Previous Full Year Forecast	Difference (Y on Y)
LCDs	-63.4 (-43.5%)	-52.0 (-23.4%)	-11.7 (-4.6%)	-11.6 (-5.3%)	-138.9 (-16.4%)	-9.5 (-4.9%)	30.0 (3.1%)	+168.9	30.0 (3.1%)	+168.9
Electronic Devices	-5.0 (-10.6%)	-18.7 (-23.7%)	3.1 (3.9%)	5.0 (8.2%)	-15.5 (-5.7%)	0.1 (0.2%)	12.0 (3.8%)	+27.5	12.0 (3.8%)	+27.5
Device Business	-68.5 (-35.4%)	-70.7 (-23.5%)	-8.5 (-2.5%)	-6.6 (-2.3%)	-154.5 (-13.8%)	-9.3 (-3.7%)	42.0 (3.3%)	+196.5	42.0 (3.3%)	+196.5
Sub Total	-85.1 (-16.6%)	-63.3 (-9.0%)	8.6 (1.2%)	27.5 (3.7%)	-112.3 (-4.1%)	10.0 (1.5%)	102.0 (3.4%)	+214.3	102.0 (3.4%)	+214.3
Adjustments	-9.0	-11.3	-5.9	-7.5	-33.9	-7.0	-22.0	+11.9	-22.0	+11.9
Total	-94.1 (-20.5%)	-74.7 (-11.6%)	2.6 (0.4%)	19.9 (2.9%)	-146.2 (-5.9%)	3.0 (0.5%)	80.0 (3.0%)	+226.2	80.0 (3.0%)	+226.2

*The percentage figures noted in brackets show the income ratio

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

(Billions of Yen)

	FY2012					FY2013			
	1Q	2Q	3Q	4Q	Full Year	1Q	Change (Y on Y)	Full Year Forecast	Change (Y on Y)
Capital Investment	37.7	17.3	12.4	14.9	82.4	10.5	-72.1%	80.0	-3.0%
<Reference>LCDs*	31.0	5.9	3.9	5.0	46.0	3.5	-88.5%	27.0	-41.4%
Depreciation and Amortization	52.4	40.1	39.6	41.0	173.3	29.9	-42.9%	130.0	-25.0%
R&D Expenditure	41.4	32.8	38.4	25.1	137.9	35.4	-14.7%	160.0	+16.0%

Exchange Rate	1Q	2Q	3Q	4Q	Full Year	1Q	Full Year Forecast
U.S. Dollar	¥79.21	¥77.64	¥80.18	¥91.43	¥82.11	¥97.76	¥95.00
Euro	¥101.41	¥96.88	¥103.76	¥120.55	¥105.65	¥127.46	¥125.00

* Sharp Corporation (Sharp Corporation and Sharp Display Products Corporation until 1Q FY2012)

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