

Consolidated Financial Results for the Year Ended March 31, 2015

May 14, 2015

SHARP CORPORATION

Stock exchange listings: Tokyo
 Code number: 6753
 URL: <http://www.sharp.co.jp/>
 Representative: Kozo Takahashi, President
 Contact person: Kohji Aoyama, Unit General Manager
 Accounting and Control Unit, Corporate Management Group
 Tel. +81 6 6621 1221

Scheduled date of the Ordinary

General Meeting of Shareholders: June 23, 2015

Scheduled dividend payment date: -

Supplementary material: Yes

Financial results meeting: Yes (targeted at institutional investors and analysts)

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

1. Results for the Year Ended March 31, 2015

(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 (Loss)	Percent Change	Net Income (Loss)	Percent Change
Year Ended March 31, 2015	2,786,256	-4.8%	(48,065)	-	(222,347)	-
Year Ended March 31, 2014	2,927,186	+18.1%	108,560	-	11,559	-

[Reference] Comprehensive income: March 31, 2015 ; (161,061) million yen — %
 March 31, 2014 ; 35,296 million yen — %

	Net Income (Loss) per Share (Yen)	Fully Diluted Net Income per Share (Yen)	Net Income (Loss) to Equity	Operating Income (Loss) to Net Sales
Year Ended March 31, 2015	(131.51)	-	-197.4%	-1.7%
Year Ended March 31, 2014	8.09	7.87	7.2%	3.7%

[Reference] Equity in net income of non-consolidated subsidiaries and affiliates : March 31, 2015 ; 5,536 million yen
 March 31, 2014 ; 2,708 million yen

(2) Financial Position

Millions of Yen

	Total Assets	Net Assets	Equity Ratio	Net Assets per Share (Yen)
As of March 31, 2015	1,961,909	44,515	1.5%	17.84
As of March 31, 2014	2,181,680	207,173	8.9%	115.43

[Reference] Equity : March 31, 2015 ; 30,166 million yen
 March 31, 2014 ; 195,160 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, 2015	17,339	(16,043)	(136,090)	232,211
Year Ended March 31, 2014	198,984	(84,940)	32,753	350,634

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, 2014	-	0.00	-	0.00	0.00	0	-	-
Year Ended March 31, 2015	-	0.00	-	0.00	0.00	0	-	-
Year Ending March 31, 2016	-	0.00	-	0.00	0.00		-	

3. Forecast of Financial Results for the Year Ending March 31, 2016

(The percentage figures represent the percentage of increase or decrease against the same period of the previous year.)

Millions of Yen

	Net Sales	Percent Change	Operating Income	Percent Change	Net Income (Loss) Attributable to Shareholders of the Company	Percent Change	Net Income per Share (Yen)
Six Months Ending September 30, 2015	1,300,000	-2.1%	10,000	-65.8%	-	-	-
Year Ending March 31, 2016	2,800,000	+0.5%	80,000	-	-	-	-

Sharp Group intends to continuously implement structural reform for the year ending March 2016, and it has taken the decision not to announce the forecast of net income (loss) attributable to shareholders of the Company due to difficulty in making reasonable estimate at the moment.

4. Other Information

(1) Changes in significant consolidated subsidiaries (Changes in specified subsidiaries involving changes in scope of consolidation): Yes

Excluded : Sharp US Holding Inc.

(2) Changes in accounting policies and accounting estimates, and restatement

- Changes in accounting policies arising from revision of accounting standards: Yes
- Changes arising from other factors: None
- Changes in accounting estimates: Yes
- Restatement: None

(3) Number of shares outstanding (ordinary shares)

- Number of shares outstanding (including treasury stock) as of March 31, 2015 ; 1,701,214,887 shares
as of March 31, 2014 ; 1,701,214,887 shares
- Number of shares of treasury stock as of March 31, 2015 ; 10,480,945 shares
as of March 31, 2014 ; 10,449,752 shares
- Average number of shares outstanding during the year ended March 31, 2015 ; 1,690,750,319 shares
during the year ended March 31, 2014 ; 1,428,951,497 shares

Notes:

- 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.
- This financial release contains certain statements about the future, which are based on information available and deemed reasonable to the Sharp Group at the time of announcement and are not the commitments made by Sharp. Actual operating results may differ materially from the forecast due to various factors. For the assumptions and other related matters concerning financial results forecast, please refer to "(1) Analysis of Financial Results" of "1. Financial Results." on page 3.
- Sharp will hold a financial results meeting on May 14, 2015. Financial materials distributed at the meeting will be posted on its website immediately after the meeting.
- The accompanying consolidated financial statements are a translation of the consolidated financial statements of Sharp, 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 2014

During the year ended March 31, 2015, the Japanese economy was on a mild recovery path, with a pickup in corporate earnings and increasing private consumption. Overseas, the overall economy remained brisk, along with a solid recovery in the U.S. and an ongoing improvement in the Eurozone, although China showed stagnation of growth.

Amid these circumstances, the Sharp Group has worked to create and strengthen sales of original products and distinctive devices that meet our customers' needs, such as "AQUOS CRYSTAL X" smartphones, Ocha-Presso, a household tea machine, and IGZO LCDs.*¹ Also, under the "Medium-Term Management Plan for Fiscal 2013 through 2015", we pushed ahead with structural reform in Europe, company-wide cost reduction, and a radical cut in total costs, to achieve "Recovery and Growth."

However, consolidated financial results for the year ended March 31, 2015 recorded net sales of 2,786.2 billion yen, down 4.8% compared to the previous year, due mainly to a sales decline in LCD TVs and Energy Solutions and a price drop in small- and medium-size LCDs. On the other hand, an operating loss of 48.0 billion yen (108.5 billion yen operating income in the previous year) was recorded, due mainly to a valuation reserve for inventory purchase commitments on polysilicon materials used for crystalline solar cells and an LCD inventory write-down. Also, a net loss of 222.3 billion yen (11.5 billion yen net income in the previous year) was recorded, due mainly to impairment loss of 104.0 billion yen on a solar cell plant in Sakai and LCD plants, restructuring charges in Europe and other regions of 21.2 billion yen, and a settlement of 14.3 billion yen on solar cell business in Europe.

Operating results by product group are as follows:

Product Business

Sales of Digital Information Equipment for the year ended March 31, 2015, were 670.3 billion yen, down 8.6% compared to the previous year, due to a sales decline in LCD TVs and mobile phones.

Sales of Health and Environmental Equipment were 315.0 billion yen, down 3.6%, due mainly to decreased sales of air conditioners.

Sales of Energy Solutions were 270.8 billion yen, down 38.3%, due to decreased sales of solar cells.

Sales of Business Solutions were 340.3 billion yen, up 6.7%, as sales of MFPs increased overseas.

As a result, sales of these four product groups comprising Product Business were 1,596.5 billion yen, down 12.2%.

Device Business

Sales of LCDs were 772.9 billion yen, down 5.1%. This was due to decreased sales of large-size LCDs, which was offset by a sales increase in small- and medium-size LCDs for smartphones and tablets.

Sales of Electronic Devices were 416.7 billion yen, up 41.6%. This was due mainly to a sales increase in camera modules, which was slightly offset by a sales decrease in LEDs and other devices.

As a result, sales of these two product groups comprising Device Business were 1,189.7 billion yen, up 7.3%.

ii . Forecast for fiscal 2015

As for the future outlook, we expect the Japanese economy to continue its steady recovery, with improvement in the employment situation and income environment, supported by a price drop in crude oil and various economic measures. Overseas, attention should be given to several factors, including the U.S. monetary policy, the market outlook in China, the price trend of resources such as crude oil, and the situation in the Greece and Middle East. However, the overall economy is expected to be steady.

Under such circumstances, consolidated financial performance resulted in a substantial loss. To overcome the situation, Sharp Group formulated a new “Medium-Term Management Plan for 2015 through 2017” as a corporate strategy aiming for “establish the basis for a stable profitability by execution of fundamental restructuring.”

We intend to work on early establishment of stable business foundation by steadily implementing this Medium-Term Management Plan.

The following is the forecast of financial results for the year ending March 31, 2016.

(The percentage figures represent the percentage of increase or decrease against the same period of the previous year.)

Billions of Yen

	Six months ending September 30, 2015	Increase Decrease	Six months ending March 31, 2016	Increase Decrease	Year ending March 31, 2016	Increase Decrease
Net sales	1,300.0	-2.1%	1,500.0	+2.8%	2,800.0	+0.5%
Operating income	10.0	-65.8%	70.0	-	80.0	-

The above figures are based on an exchange rate of ¥115=US\$ 1.00 for the year ending March 31, 2016.

Sharp Group intends to continuously implement structural reform for the year ending March 31, 2016, and it has taken the decision not to announce the forecast of net income (loss) attributable to shareholders of the Company due to difficulty in making a reasonable estimate at the moment.

Note: The above estimates of financial results are based on information available and deemed reasonable to the Sharp Group at the time of announcement and are not commitments made by the Sharp Group. Actual operating results may differ materially from the forecast due to various factors. The factors that may influence the figures for final reported business results include, but are not limited to:

- The economic situation in which the Sharp Group operates
- Sudden, rapid fluctuations in demand for products and services, as well as intense price competition
- Changes in exchange rates (particularly between the yen and the U.S. dollar, the euro and other currencies)
- Regulations such as trade restrictions in other countries
- The progress of collaborations and alliances with other companies
- Litigation and other legal proceedings against the Sharp Group
- Rapid technological changes in products and services, etc.

*1 Mass production developed by Sharp in collaboration with Semiconductor Energy Laboratory Co., Ltd.

*2 For more information, please see “Notice of Recording Valuation Reserve for Inventory Purchase Commitments,” which was announced on May 14, 2015.

<http://sharp-world.com/corporate/ir/topics/pdf/150514-2.pdf>

*3 For more information, please see “Medium-Term Management Plan for Fiscal 2015 through 2017,” which was announced on May 14, 2015.

<http://sharp-world.com/corporate/ir/topics/pdf/150514-3.pdf>

(2) Analysis of financial position

Total assets as of March 31, 2015 were 1,961.9 billion yen, down 219.7 billion yen from March 31, 2014. This was due mainly to a decrease in cash and time deposits, resulting from a bond redemption. Total liabilities were 1,917.3 billion yen, down 57.1 billion yen. Total net assets were 44.5 billion yen, down 162.6 billion yen. This was due mainly to a decrease in retained earnings in connection with recording a net loss.

Regarding cash flows, net cash provided by operating activities was 17.3 billion yen, and net cash used in investing activities was 16.0 billion yen. Net cash used in financing activities was 136.0 billion yen. As a result, cash and cash equivalents at the end of year were 232.2 billion yen, a decrease of 118.4 billion yen from March 31, 2014.

(3) Basic policy on distribution of earnings and dividends for fiscal 2014/2015

Sharp Corporation 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 will implement a set of measures to return profits to our shareholders from a long-term perspective.

For fiscal 2014, we do not plan to pay a dividend, due to recording a net loss and loss of retained earnings carried forward in non-consolidated financial statements.

For fiscal 2015 as well, we regrettably do not plan to pay a dividend, reflecting the current financial situation.

(4) Outline of Material Events Relating to Assumed Going Concern

For the year ended March 31, 2012, and the year ended March 31, 2013, in a row, the consolidated financial performance of Sharp Group resulted in substantial operating and net losses, as well as negative cash flows from operating activities. Those factors weakened Sharp Group's financial foundation.

To address such situations, Sharp Group formulated the Medium-Term Management Plan in May 2013 and worked on the plan in an all-out effort to achieve "Recovery and Growth." As a result, we were able to return to profitability with 11,559 million yen of net income for the year ended March 31, 2014. Also, a bond redemption was completed, with continuous support from the financial institutions, including a syndicated loan contract. In addition, we secured funding and strengthened our financial foundation with a new share issuance through a public offering and a third-party allotment.

However, for the year ended March 31, 2015, a price decline in small-and medium-size LCDs and procedures to improve business foundation, such as a loss related to valuation reserve for inventory purchase commitments, an impairment loss, and restructuring charges, again led to significant operating and net losses, and made it difficult for Sharp to achieve the Medium-Term Management Plan.

As a result, consolidated net assets substantially decreased, to a level where Sharp conflicts with financial covenants of its syndicated loan contract. The contract is scheduled to expire at the end of March 2016. Under such circumstances, there exists events or conditions that may cast a material uncertainty about Sharp's ability to continue as a going concern. However, by implementing various measures as described below, we believe that Sharp will not have a material uncertainty about its ability to continue as a going concern, and that no further disclosure under the "(5) Going Concern Assumption" on page 13 is necessary.

To overcome these events and conditions, Sharp Group developed a new Medium-Term Management Plan covering from the year ending March 31, 2016 to the year ending March 31, 2018. We intend to implement 3 basic strategies, 1. Re-organizing Portfolio, 2. Executing Reduction in Fixed Cost, 3. Reorganizing Corporate Structure and Strengthening Corporate Governance, to build a stable earnings structure.

Based on the premise that Sharp carries out a new Medium-Term Management Plan, Sharp is planning to reinforce deteriorated capital through a preferred share issuance of 200 billion yen against Mizuho Bank, Ltd. and The Bank of Tokyo-Mitsubishi UFJ, Ltd., and to secure funding for investment through preferred share issuance of 25 billion yen against Japan Industrial Solutions Fund I, which is run by Japan Industrial Solutions, Ltd.

As of May 14, 2015, contracts of these preferred shares have been made already. The share issuance requires the approval of bills (amendment of the articles, class share issuance, reduction of common stock) at the 121st Ordinary General Meeting of Shareholders that is scheduled to be held in June 2015, and a consent form on adjustment of financial institutions. Sharp believes the proposal is quite reasonable and will continuously work to enable those involved to have a better understanding. Also, Sharp intends to make its best effort to reinforce capital and implement the Medium-Term Management Plan.

We have received informal consent from the main financial institutions, that they are not considering forfeiture of benefit of time though Sharp is in conflict with financial covenants, and on condition of underwriting preferred share issuance, they will continuously support us during the new Medium-Term Management Plan, even after the syndicated loan contract expires. This enables Sharp to avoid the risk of a capital shortfall and to implement specific countermeasures of the new Medium-Term Management Plan with this continuous support.

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

On May 2013, Sharp Group set and announced "Medium-Term Management Plan for Fiscal 2013 through 2015" in order to improve weakened management structure and to realize "Recovery and Growth," and has worked on 3 basic strategies including shift management resources to "advantageous market and fields."

With these efforts, we returned to profit on the year ended March 2014, clearing the target set for the sales and operating income.

However, Sharp recorded large deficits for the year ended March 2015, due to lack of correspondence to the deterioration in business environment of LCD TVs in America and energy solution business, as well as lack of foresight in market changes, inadequacy to correspond to price decline, inadequacy in marketing for small- and medium-size LCDs. For the downturn in performance of our business, we self-evaluate the impact of the following factors; (1) Weakness in adapting to the changes with speedy action, (2) Delay of launching business in growing areas, (3) Weakened cost competitiveness, (4) Insufficient corporate governance and business management.

In order to overcome this situation, Sharp has established a Medium-Term Management Plan for Fiscal 2015 through 2017 to "establish the basis for stable profitability by execution of fundamental restructuring" as its corporate strategy.

In the new "Medium-Term Management Plan," we will work hard to establish stable earning foundation by implementing "Re-organizing Business Portfolio," "Executing Reduction of Fixed Cost," "Reorganizing Corporate Structure and Strengthening Corporate Governance." Also, we will strengthen funding and capital for achieving the "Medium-Term Management Plan" through a preferred share issuance^{*4}.

^{*4} The preferred share issuance requires approval at the 121st Ordinary General Meeting of Shareholders

3. Basic Approach for Selection of Accounting Standards

Sharp applies Japanese accounting standard, to secure the duration comparability of its consolidated financial statements.

We intend to monitor the trend of IFRS going forward.

3. Consolidated Financial Statements

(1) Consolidated Balance Sheets

Millions of Yen

	As of March 31, 2014	As of March 31, 2015
ASSETS		
Current Assets:		
Cash, time deposits and restricted cash	379,596	258,493
Notes and accounts receivable, less allowance for doubtful receivables	568,852	605,671
Inventories	295,126	338,300
Other current assets	130,670	96,731
Total current assets	1,374,244	1,299,195
Plant and Equipment, Less Accumulated Depreciation	519,701	400,592
Investments and Other Assets	287,598	262,039
Deferred Assets	137	83
Total assets	2,181,680	1,961,909
LIABILITIES		
Current Liabilities:		
Short-term borrowings, including current portion of long-term debt	793,198	848,947
Notes and accounts payable	409,913	468,020
Other current liabilities	348,514	369,987
Total current liabilities	1,551,625	1,686,954
Long-term Liabilities	422,882	230,440
Total liabilities	1,974,507	1,917,394
NET ASSETS		
Owners' Equity:		
Common stock	121,885	121,885
Capital surplus	95,950	95,945
Retained earnings	135,096	(87,448)
Less cost of treasury stock	(13,889)	(13,893)
Total owners' equity	339,042	116,489
Accumulated Other Comprehensive Income:		
Net unrealized holding gains (losses) on securities	6,851	10,569
Deferred gains (losses) on hedges	(160)	780
Foreign currency translation adjustments	(41,206)	(18,106)
Remeasurements of defined benefit plans	(109,367)	(79,566)
Total accumulated other comprehensive income	(143,882)	(86,323)
Minority Interests	12,013	14,349
Total net assets	207,173	44,515
Total liabilities and net assets	2,181,680	1,961,909

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

Millions of Yen

	Year Ended March 31, 2014	Year Ended March 31, 2015
Net Sales	2,927,186	2,786,256
Cost of Sales	2,396,344	2,397,749
Gross profit	530,842	388,507
Selling, General and Administrative Expenses	422,282	436,572
Operating income (loss)	108,560	(48,065)
Other Income (Expenses)		
Interest income	1,296	1,669
Rent income on noncurrent assets	4,250	4,288
Equity in earnings of affiliates	2,708	5,536
Gain on sales of noncurrent assets	3,472	11,119
Gain on sales of investment securities	6,345	22,946
Reversal of provision for loss on litigation	-	19,234
Interest expense	(20,726)	(23,182)
Loss on sales and retirement of noncurrent assets	(1,621)	(2,795)
Impairment loss	(11,770)	(104,015)
Loss on valuation of investment securities	(2,162)	(622)
Loss on sales of investment securities	(369)	(414)
Restructuring charges	-	(21,239)
Settlement package	(67)	-
Provision for loss on litigation	(1,135)	(2,140)
Settlement	-	(14,382)
Other, net	(42,811)	(36,772)
	(62,590)	(140,769)
Income (loss) before income taxes and minority interests	45,970	(188,834)
Income Taxes		
Current	38,962	27,179
Deferred	(5,980)	4,234
	32,982	31,413
Income (loss) before minority interests	12,988	(220,247)
Minority Interests in Income of Consolidated Subsidiaries	(1,429)	(2,100)
Net income (loss)	11,559	(222,347)

- Consolidated Statements of Comprehensive Income

Millions of Yen

	Year Ended March 31, 2014	Year Ended March 31, 2015
Income (Loss) before Minority Interests	12,988	(220,247)
Other Comprehensive Income:		
Net unrealized holding gains (losses) on securities	787	3,715
Deferred gains (losses) on hedges	(364)	941
Foreign currency translation adjustments	21,178	24,293
Pension liability adjustment of foreign subsidiaries	298	-
Remeasurements of defined benefit plans	-	29,776
Share of other comprehensive income of affiliates accounted for using equity method	409	461
Total other comprehensive income	22,308	59,186
Comprehensive Income	35,296	(161,061)
Comprehensive income attributable to:		
Owners of the parent	32,772	(164,776)
Minority interests	2,524	3,715

(3) Consolidated Statements of Changes in Net Assets

Year Ended March 31, 2014

Millions of Yen

	Owners' Equity				
	Common stock	Capital surplus	Retained earnings	Less cost of treasury stock	Total owners' equity
Balance at April 1, 2013	212,337	276,179	(290,912)	(13,872)	183,732
Changes of items during the period					
Issuance of new shares	71,885	71,885			143,770
Transfer to capital surplus from common stock	(162,337)	162,337			-
Deficit disposition		(414,449)	414,449		-
Net income			11,559		11,559
Purchase of treasury stock				(19)	(19)
Disposal of treasury stock		(2)		2	0
Net changes of items other than owners' equity					
Total changes of items during the period	(90,452)	(180,229)	426,008	(17)	155,310
Balance at March 31, 2014	121,885	95,950	135,096	(13,889)	339,042

	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	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at April 1, 2013	6,062	(25)	(61,467)	(3,631)	-	(59,061)	10,166	134,837
Changes of items during the period								
Issuance of new shares								143,770
Transfer to capital surplus from common stock								-
Deficit disposition								-
Net income								11,559
Purchase of treasury stock								(19)
Disposal of treasury stock								0
Net changes of items other than owners' equity	789	(135)	20,261	3,631	(109,367)	(84,821)	1,847	(82,974)
Total changes of items during the period	789	(135)	20,261	3,631	(109,367)	(84,821)	1,847	72,336
Balance at March 31, 2014	6,851	(160)	(41,206)	-	(109,367)	(143,882)	12,013	207,173

Year Ended March 31, 2015

Millions of Yen

	Owners' Equity				
	Common stock	Capital surplus	Retained earnings	Less cost of treasury stock	Total owners' equity
Balance at April 1, 2014	121,885	95,950	135,096	(13,889)	339,042
Cumulative effect of change in accounting policies			(197)		(197)
Balance at April 1, 2014, reflecting change in accounting policies	121,885	95,950	134,899	(13,889)	338,845
Changes of items during the period					
Net loss			(222,347)		(222,347)
Purchase of treasury stock				(10)	(10)
Disposal of treasury stock		(5)		6	1
Net changes of items other than owners' equity					
Total changes of items during the period	-	(5)	(222,347)	(4)	(222,356)
Balance at March 31, 2015	121,885	95,945	(87,448)	(13,893)	116,489

	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	Total accumulated other comprehensive income		
Balance at April 1, 2014	6,851	(160)	(41,206)	(109,367)	(143,882)	12,013	207,173
Cumulative effect of change in accounting policies							(197)
Balance at April 1, 2014, reflecting change in accounting policies	6,851	(160)	(41,206)	(109,367)	(143,882)	12,013	206,976
Changes of items during the period							
Net loss							(222,347)
Purchase of treasury stock							(10)
Disposal of treasury stock							1
Net changes of items other than owners' equity	3,718	940	23,100	29,801	57,559	2,336	59,895
Total changes of items during the period	3,718	940	23,100	29,801	57,559	2,336	(162,461)
Balance at March 31, 2015	10,569	780	(18,106)	(79,566)	(86,323)	14,349	44,515

(4) Consolidated Statements of Cash Flows

Millions of Yen

	Year Ended March 31, 2014	Year Ended March 31, 2015
<u>Cash Flows from Operating Activities:</u>		
Income (loss) before income taxes and minority interests	45,970	(188,834)
Adjustments to reconcile income (loss) before income taxes and minority interests to net cash provided by operating activities —		
Depreciation and amortization of properties and intangibles	123,776	109,324
Interest and dividend income	(2,388)	(2,870)
Interest expenses and interest on commercial papers	20,726	23,182
Gain on sales and retirement of noncurrent assets, net	(1,851)	(8,324)
Impairment loss	11,770	104,015
Loss on valuation of investment securities, net	2,162	622
Gain on sales of investment securities, net	(5,976)	(22,532)
Restructuring charges	-	21,239
Provision for loss on litigation	1,135	2,140
Reversal of provision for loss on litigation	-	(19,234)
Settlement Package	67	-
Settlement	-	14,382
Decrease in notes and accounts receivable-trade	19,258	58,770
(Increase) decrease in inventories	26,700	(30,858)
(Increase) decrease in notes and accounts receivable-other	6,440	(23,719)
Increase (decrease) in payables	(15,840)	19,136
Increase in valuation reserve for inventory purchase commitments	-	54,655
Other, net	18,901	(21,065)
Total	250,850	90,029
Interest and dividends received	2,981	4,371
Interest paid	(20,845)	(23,221)
Special extra retirement payments paid	(201)	-
Settlement package paid	(13,712)	(2,585)
Settlement paid	-	(13,202)
Income taxes paid	(20,089)	(38,053)
Net cash provided by operating activities	198,984	17,339
<u>Cash Flows from Investing Activities:</u>		
Payments into time deposits	(20,986)	(22,961)
Proceeds from withdrawal of time deposits	34	20,161
Purchase of investments in subsidiaries resulting in change in scope of consolidation	(1,898)	(1,794)
Payments for sales of investments in subsidiaries resulting in change in scope of consolidation	-	(2,437)
Proceeds from sales of investments in subsidiaries resulting in change in scope of consolidation	-	17,633
Acquisitions of plant and equipment	(45,707)	(49,710)
Proceeds from sales of plant and equipment	8,920	18,072
Purchase of investment securities	(25,328)	(2,429)
Proceeds from sales of investment securities	17,508	30,326
Other, net	(17,483)	(22,904)
Net cash used in investing activities	(84,940)	(16,043)
<u>Cash Flows from Financing Activities:</u>		
Deposits of restricted cash	(25,117)	(1,999)
Proceeds from withdrawal of restricted cash	20,970	3,442
Increase in short-term borrowings, net	2,190	6,453
Proceeds from long-term debt	182,442	5,282
Repayments of long-term debt	(289,479)	(148,646)
Other, net	141,747	(622)
Net cash (used in) provided by financing activities	32,753	(136,090)
Effect of Exchange Rate Changes on Cash and Cash Equivalents	15,971	16,371
Net (Decrease) Increase in Cash and Cash Equivalents	162,768	(118,423)
Cash and Cash Equivalents at Beginning of Year	187,866	350,634
Cash and Cash Equivalents at End of Year	350,634	232,211

(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 and Kameyama, 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. This procedure is made against possible credit loss.

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. This procedure is made against expense for after-sales service within the warranty period.

10) Method of Appropriation for Provision for Loss on Litigation

Out of possible future loss on litigation, the amount to be considered necessary is estimated.

11) Method of Appropriation for Restructuring Charges

The estimated amounts of allowance for restructuring charges are set aside. This procedure is made against expense for possible future loss due to structural reform.

12) Method of Appropriation for valuation reserve for inventory purchase commitments

Regarding long-term contracts for purchasing raw materials over a long time frame, the amounts of difference between contracted price and current market price are set aside as allowance for contract loss. This procedure is made against future possible loss in case the market price of materials declines significantly from the contracted price and fulfillment of the contract causes a loss in production and sale business.

A long-term contract for purchasing polysilicon, which is a raw material of solar cells, obliges Sharp to purchase it at a significantly higher price than current market price. The business plan of Sharp is based on the assumption that its obligation to purchase polysilicon at higher price than market price is fulfilled. In addition to this, there was intensified price competition caused by overseas manufacturers, a drop in the price of solar panels due to a decreased buying rate of the feed-in tariff system, and a deteriorated business environment such as large fluctuations in exchange rates. These factors made it difficult for Sharp to secure profit. In this connection, from the year ended March 31, 2015, a valuation reserve for inventory purchase commitments was recorded as for a long-term contract for purchasing polysilicon.

13) Accounting Policy for Retirement Benefits

The estimated amount of all retirement benefit to be paid at future retirement dates is allocated to each service year based mainly on benefit formula.

Past service costs are amortized primarily over the average of the estimated remaining service lives (14 years).

Actuarial losses are recognized primarily in expenses over the average of estimated remaining services lives (14 years) commencing with the following consolidated fiscal year.

14) 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 5 years. However, if the amount is minor, the entire amount is amortized during the period of occurrence.

15) 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.

16) Accounting for Consumption Taxes, etc.

The tax exclusion method is applied.

17) Adoption of Consolidated Tax Return System

The consolidated tax return system is adopted.

(7) Changes in accounting policies and accounting estimates, and restatement

(Changes in accounting policies)

Effective from the year ended March 31, 2015, the Company and its domestic consolidated subsidiaries adopted paragraph 35 of the “Accounting Standard for Retirement Benefits” (ASBJ Statement No.26 on May 17, 2012) and paragraph 67 of the “Guidance on Accounting Standard for Retirement Benefits” (ASBJ Statement No.25 on March 26, 2015). The Company and its domestic consolidated subsidiaries reviewed the method of calculating retirement benefit obligations and service costs, and changed the method of attributing expected benefit to periods primarily from point basis to a benefit formula basis.

In accordance with transitional accounting as stipulated in paragraph 37 of the Accounting Standard for Retirement Benefits, the effect of the changes in the method of calculating retirement benefit obligations and service costs was recognized as an adjustment to retained earnings at the beginning of the year ended

March 31, 2015.

This change had an immaterial impact on net defined benefit liability and retained earnings at the beginning of the year ended March 31, 2015, as well as financial statements for the year ended March 31, 2015.

(Changes in accounting estimates)

The Company and its domestic consolidated subsidiaries previously amortized actuarial gain/loss and past service costs on the severance and pension benefits over 15 years. Effective from the year ended March 31, 2015, the amortization period has been changed to 14 years because the average of the estimated remaining service years decreased.

This change had an immaterial impact on financial statements for the year ended March 31, 2015.

(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.

Product Business involves production and sales of electric communication equipment, electric equipment and electronic application equipment, while Device Business involves production and sales/supply of electronic components for other companies or Product Business within the Group.

Main products in each business are as follows.

Business classification	Main products
Product Business	LCD color televisions, color televisions, Blu-ray Disc recorders, mobile phones, tablets, refrigerators, microwave ovens, air conditioners, washing machines, vacuum cleaners, air purifiers, crystalline solar cells, information displays, digital MFPs (multi-function printers)
Device Business	amorphous silicon LCD modules, IGZO LCD modules, CG-Silicon LCD modules, camera modules, CCD/CMOS imagers, microprocessors, LEDs, optical sensors, 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

Year Ended March 31, 2014

Millions of Yen

Net Sales	
Product Business	
Customers	1,818,097
Intersegment	71
Total	1,818,168
Device Business	
Customers	1,109,089
Intersegment	208,378
Total	1,317,467
Adjustments	(208,449)
The amount presented in Consolidated Statements of Income	2,927,186
Segment Income	
Product Business	96,802
Device Business	44,853
Adjustments*1	(33,095)
The amount presented in Consolidated Statements of Income*2	108,560

Notes: 1. Adjustments of segment income of (33,095) million yen include elimination of intersegment transactions of 228 million yen and corporate expenses not allocated to each reportable segment of (33,049) 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.

Year Ended March 31, 2015

Millions of Yen

Net Sales	
Product Business	
Customers	1,596,552
Intersegment	79
Total	1,596,631
Device Business	
Customers	1,189,704
Intersegment	158,870
Total	1,348,574
Adjustments	(158,949)
The amount presented in Consolidated Statements of Income	2,786,256
Segment Income (Loss)	
Product Business	(12,295)
Device Business	1,270
Adjustments*1	(37,040)
The amount presented in Consolidated Statements of Income*2	(48,065)

Notes: 1. Adjustments of segment income of (37,040) million yen include elimination of intersegment transactions of 73 million yen and corporate expenses not allocated to each reportable segment of (37,223) 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 (loss) to operating loss presented in Consolidated Statements of Income.

[Related information]

Year ended March 31, 2014

1. Information by product/service

Millions of Yen

	LCDs	LCD Color TVs	CCD/CMOS	Others	Total
Sales to Outside Customers	814,718	413,887	213,997	1,484,584	2,927,186

2. Information by region/country

1) Sales

Millions of Yen

Japan	China	U.S.A.	Others	Total
1,150,091	925,348	354,546	497,201	2,927,186

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

2) Plant and equipment, less accumulated depreciation

Millions of Yen

Japan	China	Others	Total
415,276	38,785	65,640	519,701

Year ended March 31, 2015

1. Information by product/service

Millions of Yen

	LCDs	LCD Color TVs	CCD/CMOS	Others	Total
Sales to Outside Customers	772,997	370,046	334,672	1,308,541	2,786,256

2. Information by region/country

1) Sales

Millions of Yen

Japan	China	U.S.A.	Others	Total
968,449	1,140,892	260,754	416,161	2,786,256

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

2) Plant and equipment, less accumulated depreciation

Millions of Yen

Japan	China	Others	Total
305,936	48,023	46,633	400,592

[Information regarding impairment loss on noncurrent assets by reportable segment]

Year ended March 31, 2014

Millions of Yen

	Product Business	Device Business	Elimination	Total
Impairment Loss	11,742	28	-	11,770

Year ended March 31, 2015

Millions of Yen

	Product Business	Device Business	Elimination	Total
Impairment Loss	18,592	85,423	-	104,015

(Business Combinations)

Business Divestitures

Transfer of all interests and shares of consolidated subsidiaries, Recurrent Energy, LLC (“Recurrent”) and Sharp US Holding Inc. (“SUH”)

1. Outline of business divestitures

- (1) Name of parties who succeed the divested business

Canadian Solar Energy Acquisition Co. (“CSEA”) and Momentum Partners, LLC (“Momentum”)

- (2) Nature of divested business

Development and sale of solar power generation plants in the U.S.

- (3) Aim of business divestiture

The development and sale of solar power generation plants run by Recurrent needs sufficient funds for initial development costs, and its profits are highly variable. Therefore, the Company had examined various solutions, including the sale of Recurrent. Since there was an offer of purchasing 100% of the interests in Recurrent, the Company transferred all interests in Recurrent to CSEA.

After completing the interests transfer, the Company transferred all shares of SUH, the holding company of Recurrent (parent company), to Momentum.

- (4) Date of business divestiture

[1] Interest transfer of Recurrent March 30, 2015

[2] Share transfer of SUH March 30, 2015

- (5) Other items with regard to outline of transactions which include description of legal form

Business transfer for which the Company will receive only assets such as cash as consideration

2. Outline of accounting method

- (1) Transfer profit and loss

-Gain on sales of investment securities 11,006 million yen

- (2) Appropriate book value of the assets and liabilities transferred and its main items

-Current assets 11,566 million yen

-Noncurrent assets 25,411 million yen

-Total assets 36,977 million yen

-Current liabilities 3,936 million yen

-Long-term liabilities 2,056 million yen

-Total liabilities 5,992 million yen

- (3) Accounting method

The difference between the amount received as a value of transferred business and the amount of owner's equity regarding the transferred business is recognized as transfer profit or loss. This accounting method is assuming that the investment regarding transferred business of development and sale of solar power generation plants in the U.S. is liquidated.

3. The name of reportable segment in which transferred business was included

Product Business segment

4. Estimated amount of profit and loss regarding divested business, which was recorded in consolidated financial results for the year ended March 31, 2015

-Net sales	20,116 million yen
-Operating loss	719 million yen

(Per Share Information)

Yen

	Year Ended March 31, 2014	Year Ended March 31, 2015
Net assets per share	115.43	17.84
Net income (loss) per share	8.09	(131.51)
Fully diluted net income (loss) per share	7.87	-
		Fully diluted net income per share is not presented, because residual securities do not exist.

Notes:

1. Net income (loss) per share and fully diluted net income (loss) per share were calculated on the following basis.

	Year Ended March 31, 2014	Year Ended March 31, 2015
Net income (loss) per share		
Net income (loss) (millions of yen)	11,559	(222,347)
Amounts not allocated to ordinary shares (millions of yen)	-	-
Net income (loss) allocated to ordinary shares (millions of yen)	11,559	(222,347)
Average number of ordinary shares outstanding during each year (thousands of shares)	1,428,951	1,690,750
Fully diluted net income (loss) per share		
Adjustment to net income (loss) (millions of yen)	0	-
Amortization of bond issue cost, etc. (after deduction of tax credit, millions of yen)	0	-
Increase in number of ordinary shares (thousands of shares)	39,636	-
Bonds with subscription rights to shares (thousands of shares)	39,636	-
Residual securities which do not dilute net income per share	-	-

(Significant Subsequent Events)

The Company passed a resolution for following 3 matters at the board of directors meeting held on May 14, 2015.

I . Issuance of class shares by a third party allotment

1. Class A Shares

(1) Payment date

June 30, 2015

(2) Number of shares to be issued

200,000 shares

(3) Amounts of procurement funds

200,000,000,000 yen (1,000,000 yen per share)

(4) Capital and capital reserve to be increased

Capital 100,000,000,000 yen (500,000 yen per share)

Capital reserve 100,000,000,000 yen (500,000 yen per share)

(5) Subscription and allotment method (Planned allottee)

Allotted by a third party allotment method.

Mizuho Bank, Ltd. 100,000 shares

The Bank of Tokyo-Mitsubishi UFJ, Ltd. 100,000 shares

(6) Specific usage of funds to be procured

Specific usage	Amounts	Planned time of spending
Repayment of the Company's and the Company's subsidiary's debt owed to Mizuho Bank group	100,000 million yen	June 2015
Repayment of the Company's and the Company's subsidiary's debt owed to The Bank of Tokyo-Mitsubishi UFJ group	100,000 million yen	June 2015

(7) Others

The dividend rate (annual) of Class A Shares is set by adding 2.5% to Japanese yen TIBOR (6 months), and Class A shares are cumulative and non-participating. In addition, Class A shareholders are entitled to receive dividends in preference to common shareholders.

Class A Shares have no voting right and assignments are restricted.

Put options the consideration for which is common shares, put options the consideration for which is cash, and call options the consideration for which is cash are attached to Class A Shares.

The maximum dilution rate will be approximately 118.7%, if all the put options attached to Class A Shares the consideration for which are common shares are exercised, assuming no amount equal to the accumulated unpaid dividends and no daily prorated unpaid preferred dividend amount for the Class A Shares exist.

The put option the consideration for which is common shares can be exercised only on or after July 1, 2019.

The payments for the Class A Shares by the Alloted Banks are subject to an Ordinary General Meeting of Shareholders' approval of matters such as Revision of Articles of Incorporation, the issuance of Class Shares,

Decreases in Capital, etc., reasonable certainty that payment will be received for the Class B Shares from Japan Industrial Solutions, Ltd. (“JIS”) and reconciliation among financial institutions which the Allotted Banks are reasonably satisfied with, etc.

2. Class B Shares

(1) Payment date

June 30, 2015

(2) Number of shares to be issued

25,000 shares

(3) Amounts of procurement funds

25,000,000,000 yen (1,000,000 yen per share)

(4) Capital and capital reserve to be increased

Capital 12,500,000,000 yen (500,000 yen per share)

Capital reserve 12,500,000,000 yen (500,000 yen per share)

(5) Subscription and allotment method (Planned allottee)

Allotted by a third party allotment method.

JIS 25,000 shares

(6) Specific usage of funds to be procured

Specific usage	Amounts	Planned time of spending
New installation and replacement of mechanical equipment, etc. for achieving higher definitions and improving yields, and other rationalization investments, etc. in the LCD business	17,600 million yen	July 2015 to March 2018
Investment in molds for new products for Japan, China and Asia, and rationalization investments, etc. in each domestic and overseas factory in the health and environment business	4,000 million yen	July 2015 to March 2018
Investment in molds for new products, and rationalization investments, etc. in each domestic and overseas factory in the business solutions business	3,000 million yen	July 2015 to March 2018

(7) Others

The dividend rate (annual) of Class B Shares is set at 7.0% if the record date for a dividend from surplus belongs to a business year ending before the end of March, 2018 and at 8.0% if the record date for dividends from surplus belongs to a business year starting after April 1, 2018, and Class B Shares are non-participating and cumulative. In addition, Class B shareholders are entitled to receive dividends in preference to Class A shareholders and common shareholders. Class B Shares have no voting right and assignments are restricted.

Put options the consideration for which is common shares, and call options the consideration for which is cash are attached to Class B Shares

Put options the consideration for which is cash are not attached to Class B Shares.

The maximum dilution rate will be approximately 20.8%, if all the put options attached to Class B Shares the

consideration for which is common shares are exercised, assuming no amount equal to accumulated unpaid dividends and no daily prorated unpaid preferred dividend amount for the Class B Shares exist.

The Company and JIS agreed to the exercise conditions for the put options attached to Class B Shares the consideration for which is common shares in the subscription agreement, and consequently the Company's common shares will be issued through the exercise of the put options the consideration for which is common shares basically on or after July 1, 2018.

The payment for the Class B Shares by JIS is subject to an Ordinary General Meeting of Shareholders' approval of matters such as Revision of Articles of Incorporation, the issuance of the Class Shares and Decreases in Capital, etc., the appointment of two outside director named by JIS in advance etc., the completion of the payment for Class A Shares by the Alloted Banks and consents of reconciliation among financial institutions with which JIS is reasonably satisfied, etc.

II. Decreases in Capital, etc.

1. Purpose of decreases in capital, etc.

In order for the Company to promptly improve its financing standing to prepare for a dynamic and flexible capital policy in the future, the Company decided to decrease in capital, etc. to transfer distributable amounts to other capital surplus. And the Company also decided to dispose of surplus in accordance with the provision of Article 452 of the Companies Act to cover deficiencies in retained earnings carried forward by using other capital surplus increased by Decreases in Capital, etc.

2. Terms and conditions of Decreases in Capital, etc.

(1) Amounts of capital to be decreased June 30, 2015

233,884,726,500 yen

(2) Amounts of capital reserve to be decreased

196,759,726,500 yen

(3) Method of Decreases in Capital, etc.

After implementing Decreases in Capital, etc. based on the provisions of Article 447, Paragraph 1 and Article 448, Paragraph 1 of the Companies Act, the Company will transfer the total amount of capital and capital reserve to other capital surplus.

(4) Schedule for Decreases in Capital, etc.

May 14, 2015 (Thursday) Resolution of Board of Directors meetings relating to Decreases in Capital, etc.

Resolution of Board of Directors meetings relating to proposal to Decreases in Capital, etc.
to be discussed by Ordinary General Meeting of Shareholders

May 29, 2015 (Friday) Public notice with respect to statements of objection by creditors (planned)

June 23, 2015 (Tuesday) Resolution of Ordinary General Meeting of Shareholders (planned)

June 29, 2015 (Monday) Final deadline for statements of objection by creditors (planned)

June 30, 2015 (Tuesday) Effective date of Decreases in Capital, etc. (planned)

(5) Others

Decreases in Capital, etc. are subject to issuance of the Class A shares and Class B shares becoming effective. Decreases in Capital, etc. is a transfer appropriation in which capital and capital reserves in net assets as indicated on the balance sheet are transferred to the account of other capital surplus, which does not change the Company's net asset amounts

3. Terms and conditions of Appropriation of Surplus

(1) Amounts of capital reserve to be decreased

Other capital surplus 219,780,861,290 yen

(2) Amounts of capital reserve to be decreased

Retained earnings carried forward 219,780,861,290 yen

(3) Schedule of Appropriation of Surplus

May 14, 2015 (Thursday) Resolution of Board of Directors meetings relating to Appropriation of Surplus

Resolution of Board of Directors meetings relating to proposal to Appropriation of Surplus to be discussed by Ordinary General Meeting of Shareholders

June 23, 2015 (Tuesday) Resolution of Ordinary General Meeting of Shareholders (planned)

June 30, 2015 (Tuesday) Effective date of Appropriation of Surplus (planned)

(4) Others

Appropriation of Surplus is subject to the Decreases in Capital, etc. becoming effective. The Appropriation of Surplus is a transfer appropriation in which other capital surplus in net assets as indicated on the balance sheet is transferred to the account of retained earnings carried forward, which does not change the Company's net asset amounts.

III. Voluntary Retirement Program

1. Backgrounds to calling for voluntary retirement

Sharp Group is currently engaged in business reinforcement measures and improving its balance sheet to recover the business performance. As examples of such efforts, Sharp aims to introduce company-system to strengthen adaptation to clients and business criteria to realize independent management, and also to establish the basis for stable profitability by downsizing of bases, streamlining headquarter, and adjusting employment to an appropriate level. Under this circumstance, Sharp has decided to offer a voluntary retirement program with sufficient financial support and re-employment assistance to employees who would seek working opportunities outside Sharp Group.

2. Outline of voluntary retirement program

(1) Applied companies: Sharp Corporation and its major consolidated subsidiaries in Japan

(2) Number of accepting application: approx. 3,500 personnel

(3) Application period: in late July 2015 (scheduled)

(4) Date of retirement: September 30, 2015 (scheduled)

3. Outline of voluntary retirement program

Sharp estimates the expense for the voluntary retirement program as total of approx. 35 billion yen among Sharp Group in Japan.

The number of applicants for voluntary retirement is yet to be fixed.

4. Supplementary Data

(1) Consolidated Sales by Product Group

Millions of Yen

			Year Ended March 31, 2014		Year Ended March 31, 2015		Increase Decrease	Percent Change
			Amount	Ratio	Amount	Ratio		
		Digital Information Equipment	485,614	16.6	437,582	15.7	- 48,032	-9.9
		Communications	247,703	8.4	232,744	8.4	- 14,959	-6.0
		Digital Information Equipment	733,317	25.0	670,326	24.1	- 62,991	-8.6
		Health and Environmental Equipment	326,896	11.2	315,022	11.3	- 11,874	-3.6
		Energy Solutions	439,028	15.0	270,881	9.7	- 168,147	-38.3
		Business Solutions	318,856	10.9	340,323	12.2	+ 21,467	+6.7
		Product Business	1,818,097	62.1	1,596,552	57.3	- 221,545	-12.2
		LCDs	814,718	27.8	772,997	27.7	- 41,721	-5.1
		Electronic Devices	294,371	10.1	416,707	15.0	+ 122,336	+41.6
		Device Business	1,109,089	37.9	1,189,704	42.7	+ 80,615	+7.3
Total			2,927,186	100.0	2,786,256	100.0	- 140,930	-4.8
Domestic			1,150,091	39.3	968,449	34.8	- 181,642	-15.8
Overseas			1,777,095	60.7	1,817,807	65.2	+ 40,712	+2.3

Notes:

1. The above figures indicate sales to outside customers.
2. Effective from the year ended March 31, 2015, the "Solar Cells" product group was renamed as "Energy Solutions."
3. Effective from the year ended March 31, 2015, the two businesses of "Digital Information Equipment" and "Communications" are shown as breakdown of "Digital Information Equipment."

(2) Information by Product Group

The breakdown of the reportable segments, which consist of Product Business and Device Business, is presented for reference. Sales of each product group include internal sales between segments (Product Business and Device Business).

〈Net Sales〉

Millions of Yen

			Year Ended March 31, 2014		Year Ended March 31, 2015		Percent Change
			Amount	Ratio	Amount	Ratio	
		Digital Information Equipment	485,658	16.6	437,596	15.7	-9.9
		Communications	247,703	8.4	232,792	8.4	-6.0
		Digital Information Equipment	733,361	25.0	670,388	24.1	-8.6
		Health and Environmental Equipment	326,890	11.2	315,037	11.3	-3.6
		Energy Solutions	439,040	15.0	270,874	9.7	-38.3
		Business Solutions	318,877	10.9	340,332	12.2	+6.7
	Product Business		1,818,168	62.1	1,596,631	57.3	-12.2
		LCDs	991,074	33.9	907,105	32.6	-8.5
		Electronic Devices	326,393	11.1	441,469	15.8	+35.3
		Device Business	1,317,467	45.0	1,348,574	48.4	+2.4
	Sub Total		3,135,635	107.1	2,945,205	105.7	-6.1
	Adjustments		(208,449)	-7.1	(158,949)	-5.7	-
Total		2,927,186	100.0	2,786,256	100.0	-4.8	

〈Segment Income (Loss)〉

Millions of Yen

			Year Ended March 31, 2014		Year Ended March 31, 2015		Percent Change
			Amount	Ratio	Amount	Ratio	
		Digital Information Equipment	8,926	8.2	(13,447)	-	-
		Communications	3,914	3.6	16,501	-	+321.6
		Digital Information Equipment	12,840	11.8	3,054	-	-76.2
		Health and Environmental Equipment	21,018	19.4	15,927	-	-24.2
		Energy Solutions	32,400	29.9	(62,679)	-	-
		Business Solutions	30,544	28.1	31,403	-	+2.8
	Product Business		96,802	89.2	(12,295)	-	-
		LCDs	41,588	38.3	594	-	-98.6
		Electronic Devices	3,265	3.0	676	-	-79.3
		Device Business	44,853	41.3	1,270	-	-97.2
	Sub Total		141,655	130.5	(11,025)	-	-
	Adjustments		(33,095)	-30.5	(37,040)	-	-
Total		108,560	100.0	(48,065)	-	-	

Notes:

- Effective from the year ended March 31, 2015, the "Solar Cells" product group was renamed as "Energy Solutions."
- Effective from the year ended March 31, 2015, the two businesses of "Digital Information Equipment" and "Communications" are shown as breakdown of "Digital Information Equipment."