



Consolidated Financial Results for the Third Quarter Fiscal 2014

I. Financial Results for 3Q Fiscal 2014

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SHARP CORPORATION

February 3, 2015



Forward-Looking Statements

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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.

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I. Financial Results for 3Q Fiscal 2014

Financial Results for 3Q Fiscal 2014

- Significant profit decline for the FY2014 3Q (Oct.-Dec.) due to price competition in the small- and medium-size LCDs and other device businesses, and to the absence of transient factors* in the same period last year.
- Negative net income due to allowance for additional tax by China transfer pricing taxation.

(Billions of Yen)

	FY2013		FY2014							
	3Q	1Q to 3Q Accumulated Total	1Q	2Q	3Q	Change (Q on Q)	Difference (Q on Q)	Change (Y on Y)	1Q to 3Q Accumulated Total	Change (Y on Y)
Net Sales	815.2	2,157.2	619.7	707.9	762.7	+7.7%	+54.8	-6.4%	2,090.4	-3.1%
Operating Income (margin)	47.6 (5.8%)	81.4 (3.8%)	4.6 (0.8%)	24.5 (3.5%)	22.0 (2.9%)	-10.2%	-2.5	-53.8%	51.2 (2.5%)	-37.1%
Net Income (margin)	22.0 (2.7%)	17.7 (0.8%)	-1.7 (-0.3%)	6.5 (0.9%)	-11.9 (-1.6%)	-	-18.4	-	-7.1 (-0.3%)	-

*Profit on sales of project assets of US solar project developer subsidiary and engineering income in LCD business

Other Income (Expenses)

(Billions of Yen)

	FY2013		FY2014					
	3Q	1Q to 3Q Accumulated Total	1Q	2Q	3Q	Difference (Y on Y)	1Q to 3Q Accumulated Total	Difference (Y on Y)
Operating Income	47.6	81.4	4.6	24.5	22.0	-25.6	51.2	-30.2
Other Income (Expenses)	-15.0	-44.0	-6.0	-9.5	-19.6	-4.6	-35.2	+8.8
Equity in earnings of affiliates	+1.0	+1.0	+2.3	+1.6	+0.6	-0.3	+4.7	+3.6
Gain on sales of investment securities	+0.0	+1.6	+0.1	+5.7	+5.7	+5.7	+11.6	+10.0
Reversal of provision for loss on litigation	-	-	+19.2	-	-	-	+19.2	+19.2
Interest expense	-5.8	-14.8	-6.0	-5.7	-5.6	+0.2	-17.4	-2.5
Impairment loss	-	-	-0.8	-1.6	-1.9	-1.9	-4.4	-4.4
Restructuring charges	-	-	-	-5.7	-8.9	-8.9	-14.6	-14.6
Settlement	-	-	-14.3	-	-	-	-14.3	-14.3
Income Taxes, etc.	-10.5	-19.6	-0.4	-8.4	-14.2	-3.7	-23.1	-3.5
Net Income	22.0	17.7	-1.7	6.5	-11.9	-33.9	-7.1	-24.8

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Consolidated Balance Sheets

- Cash and time deposits at the end of Dec. 2014 decreased 37.6 billion yen due to increased inventories.
- The equity ratio increased from 10.6% at the end of Sep. 2014 to 10.8%.

(Billions of Yen)

	FY2013	FY2014	
	End of Mar. 2014	End of Sep. 2014	End of Dec. 2014
Cash, time deposits and restricted cash	379.5	291.4	253.8
Notes and accounts receivable	568.8	614.9	679.3
Inventories	295.1	307.5	371.5
Other current assets	130.6	126.0	118.0
Current Assets	1,374.2	1,339.9	1,422.7
Plant and Equipment	519.7	512.4	498.3
Investments and Other Asset	287.5	286.5	287.5
Deferred Assets	0.1	0.0	0.0
Total assets	2,181.6	2,139.0	2,208.6

	FY2013	FY2014	
	End of Mar. 2014	End of Sep. 2014	End of Dec. 2014
Short-term borrowings	793.1	717.9	726.6
Notes and accounts payable	409.9	466.3	500.7
Other current liabilities	348.5	328.4	341.7
Current Liabilities	1,551.6	1,512.7	1,569.1
Long-term Liabilities	422.8	387.0	387.5
Liabilities	1,974.5	1,899.7	1,956.6
Net Assets	207.1	239.2	252.0
Total liabilities and net assets	2,181.6	2,139.0	2,208.6

Equity Ratio	8.9%	10.6%	10.8%
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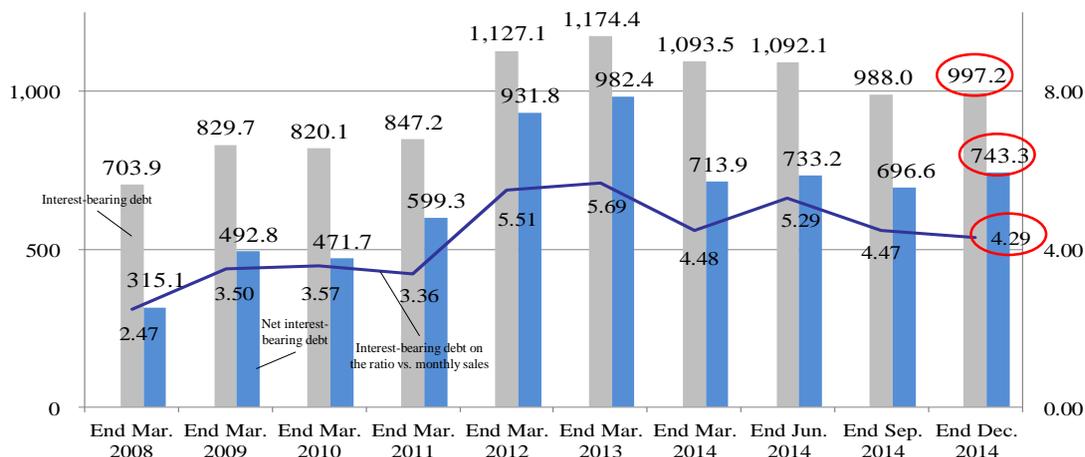
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Transition of Interest-bearing Debt

- Interest-bearing debt at the end of Dec. 2014 totaled 997.2 billion yen. Yen-basis debt increased to 9.1 billion yen over the end of Sep. 2014 due to fluctuations in exchange rate, while the ratio vs. monthly sales decreased from 4.47 months to 4.29 months.
- Net interest-bearing debt* increased from 696.6 billion yen at the end of Sep. 2014 to 743.3 billion yen.

(Billions of Yen) (Months)



Net D/E ratio	0.3	0.5	0.5	0.6	1.5	7.9	3.7	3.7	3.1	3.1
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*Net interest-bearing debt: interest-bearing debt - cash, time deposits, and short-term investments

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II. Financial Results Forecast for Fiscal 2014

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Financial Results Forecast for Fiscal 2014

- Review of financial results forecast due to channel inventory adjustments, increased competition, falling prices, and worsened model mix in LCD TVs and small- and medium-size LCDs for Chinese smartphones.
- Net result has been revised to 30 billion yen loss due mainly to allowance for additional tax by China transfer pricing taxation in addition to a review of operating income.

(Billions of Yen)

	FY2014			Details
	Previous Full Year Forecast	Revised Full Year Forecast	Difference	
Net sales	2,900.0	2,900.0	0.0	-
Operating Income	100.0	50.0	-50.0	<ul style="list-style-type: none"> • Domestic profitability of the Product Business is worsening. • Worsened model mix of small- and medium-size LCDs
Other Income (Expenses)	-50.0	-50.0	0.0	
Income Taxes, etc.	-20.0	-30.0	-10.0	• Additional tax by China transfer pricing taxation, etc.
Net Income	30.0	-30.0	-60.0	-

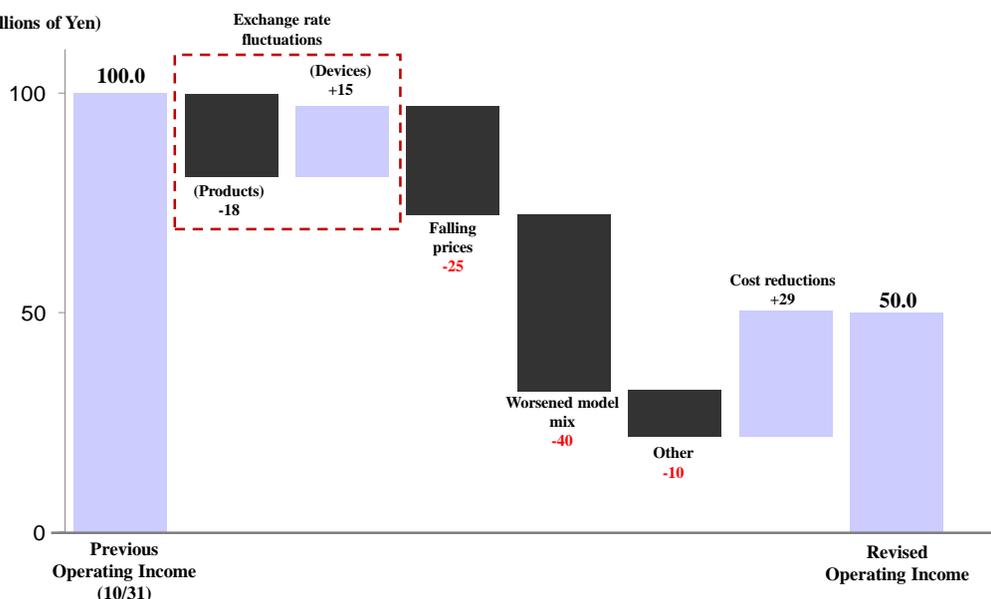
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Breakdown of Operating Income by Factors (Previous FY2014 Forecast/Revised Forecast)

- Key factors in revising operating income include: Profitability deterioration of domestic sales, lower prices and worsened model mix of LCDs.

(Billions of Yen)



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Sales by Product Group

Product Business

(Billions of Yen)

	FY2014									Corrected Amount	FY2014
	1H	3Q	Change (Y on Y)	1Q to 3Q Accumulated Total	Change (Y on Y)	Revised 4Q Forecast	Change (Y on Y)	Revised Full Year Forecast	Change (Y on Y)		(10/31) Previous Full Year Forecast
Digital Information Equipment	220.5	122.6	-11.2%	343.2	-5.9%	106.7	-11.6%	450.0	-7.3%	-20.0	470.0
Communications	112.1	72.0	-8.4%	184.2	-1.3%	55.7	-8.7%	240.0	-3.1%	0.0	240.0
Digital Information Equipment	332.7	194.7	-10.2%	527.5	-4.4%	162.4	-10.6%	690.0	-5.9%	-20.0	710.0
Health and Environmental Equipment	162.8	77.6	-5.4%	240.5	-0.6%	89.4	+5.4%	330.0	+1.0%	-10.0	340.0
Energy Solutions	142.9	53.6	-50.6%	196.6	-29.0%	83.3	-48.6%	280.0	-36.2%	-10.0	290.0
Business Solutions	164.5	85.1	+10.5%	249.7	+6.0%	90.2	+8.3%	340.0	+6.6%	0.0	340.0
Product Business	803.1	411.3	-15.1%	1,214.4	-7.0%	425.5	-16.9%	1,640.0	-9.8%	-40.0	1,680.0

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

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Sales by Product Group

Device Business/Total

(Billions of Yen)

	FY2014									Corrected Amount	FY2014
	1H	3Q	Change (Y on Y)	1Q to 3Q Accumulated Total	Change (Y on Y)	Revised 4Q Forecast	Change (Y on Y)	Revised Full Year Forecast	Change (Y on Y)		(10/31) Previous Full Year Forecast
LCDs	460.9	238.0	-14.2%	698.9	-7.6%	271.0	+15.3%	970.0	-2.1%	-30.0	1,000.0
Electronic Devices	149.7	156.1	+46.7%	305.9	+20.3%	134.0	+86.0%	440.0	+34.8%	+20.0	420.0
Device Business	610.7	394.2	+2.7%	1,004.9	-0.5%	405.0	+31.9%	1,410.0	+7.0%	-10.0	1,420.0
Sub Total	1,413.8	805.5	-7.3%	2,219.3	-4.2%	830.6	+1.4%	3,050.0	-2.7%	-50.0	3,100.0
Adjustments	-86.1	-42.7	-	-128.9	-	-21.0	-	-150.0	-	+50.0	-200.0
Total	1,327.6	762.7	-6.4%	2,090.4	-3.1%	809.5	+5.2%	2,900.0	-0.9%	0.0	2,900.0

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

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Operating Income by Product Group

Product Business

	FY2014									Corrected Amount	FY2014 (10/31) Previous Full Year Forecast
	1H	3Q	Change (Y on Y)	1Q to 3Q Accumulated Total	Change (Y on Y)	Revised 4Q Forecast	Change (Y on Y)	Revised Full Year Forecast	Change (Y on Y)		
	Digital Information Equipment	0.0 (-0.0%)	-3.5 (-2.9%)		-3.5 (-1.0%)		-8.4 (-7.9%)		-12.0 (-2.7%)		
Communications	7.5 (6.7%)	8.2 (11.5%)	+62.2%	15.8 (8.6%)	5.6-fold	-1.8 (-3.3%)		14.0 (5.8%)	3.6-fold	0.0	14.0 (5.8%)
Digital Information Equipment	7.5 (2.3%)	4.7 (2.4%)	-44.6%	12.2 (2.3%)	+31.2%	-10.2 (-6.3%)		2.0 (0.3%)	-84.4%	-18.0	20.0 (2.8%)
Health and Environmental Equipment	7.7 (4.8%)	4.2 (5.5%)	-25.1%	12.0 (5.0%)	-21.8%	5.9 (6.7%)	+5.7%	18.0 (5.5%)	-14.4%	-1.0	19.0 (5.6%)
Energy Solutions	-0.2 (-0.2%)	-1.6 (-3.0%)		-1.9 (-1.0%)		-3.0 (-3.7%)		-5.0 (-1.8%)		-8.0	3.0 (1.0%)
Business Solutions	15.9 (9.7%)	7.6 (9.0%)	+25.2%	23.6 (9.4%)	+6.9%	6.3 (7.1%)	-24.5%	30.0 (8.8%)	-1.8%	0.0	30.0 (8.8%)
Product Business	30.9 (3.9%)	15.0 (3.7%)	-42.8%	45.9 (3.8%)	-26.6%	-0.9 (-0.2%)		45.0 (2.7%)	-53.5%	-27.0	72.0 (4.3%)

*Figures within parentheses indicate operating income margin.

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Operating Income by Product Group

Device Business/Total

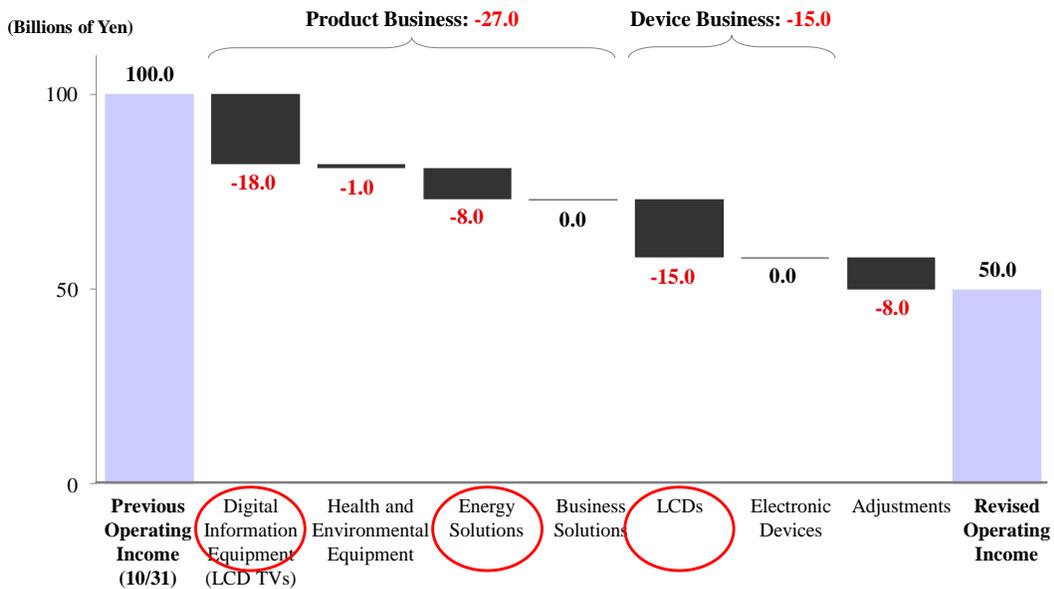
	FY2014									Corrected Amount	FY2014 (10/31) Previous Full Year Forecast
	1H	3Q	Change (Y on Y)	1Q to 3Q Accumulated Total	Change (Y on Y)	Revised 4Q Forecast	Change (Y on Y)	Revised Full Year Forecast	Change (Y on Y)		
	LCDs	20.8 (4.5%)	11.4 (4.8%)	-55.9%	32.2 (4.6%)	-6.9%	7.7 (2.8%)	+11.7%	40.0 (4.1%)		
Electronic Devices	-2.4 (-1.6%)	2.6 (1.7%)	-37.5%	0.1 (0.1%)	-98.3%	2.8 (2.1%)		3.0 (0.7%)	-8.1%	0.0	3.0 (0.7%)
Device Business	18.3 (3.0%)	14.1 (3.6%)	-53.3%	32.4 (3.2%)	-26.5%	10.5 (2.6%)	14.8-fold	43.0 (3.0%)	-4.1%	-15.0	58.0 (4.1%)
Sub Total	49.2 (3.5%)	29.1 (3.6%)	-48.4%	78.4 (3.5%)	-26.5%	9.5 (1.2%)	-72.5%	88.0 (2.9%)	-37.9%	-42.0	130.0 (4.2%)
Adjustments	-20.0	-7.1		-27.1		-10.8		-38.0		-8.0	-30.0
Total	29.2 (2.2%)	22.0 (2.9%)	-53.8%	51.2 (2.5%)	-37.1%	-1.2 (-0.2%)		50.0 (1.7%)	-53.9%	-50.0	100.0 (3.4%)

*Figures within parentheses indicate operating income margin.

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Breakdown of Operating Income by Product Group (Previous FY2014 Forecast/Revised Forecast)



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<Digital Information Equipment (LCD TVs)> Factors in Deterioration of Performance and Future Policies

Deterioration factors

Market downturn and intensifying competition in the main markets

- ✓ Japan : Delay in enhancing lineup and intensified price competition in large-size LCD TVs
- ✓ North America : Intensified price competition in large-size LCD TVs
- ✓ China : Intensified price competition driven by increase in channel inventory, sluggish sales

Future policies

- ✓ Japan : Expand the lineup and strengthen cost competitiveness by revamping the value chain
- ✓ North America : Create high-value-added models including enhancement of 4K lineup and commercialization of next-generation high-resolution models
- ✓ China : Reduce channel inventory and revamp the sales channels

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<Energy Solutions>

Factors in Deterioration of Performance and Future Policies

Deterioration factors

- ✓ Profitability reduction in the domestic business due to slow response to exchange rate fluctuations
- ✓ A decrease in new home construction and slow demand for industrial-use

Future policies

- ✓ Reduce costs by streamlining the organizational structure and revamping the value chain
- ✓ Globalize the energy solutions business
- ✓ Keep up steady efforts in structural reform in Europe

<LCDs>

Factors in Deterioration of Performance and Future Policies

Deterioration factors

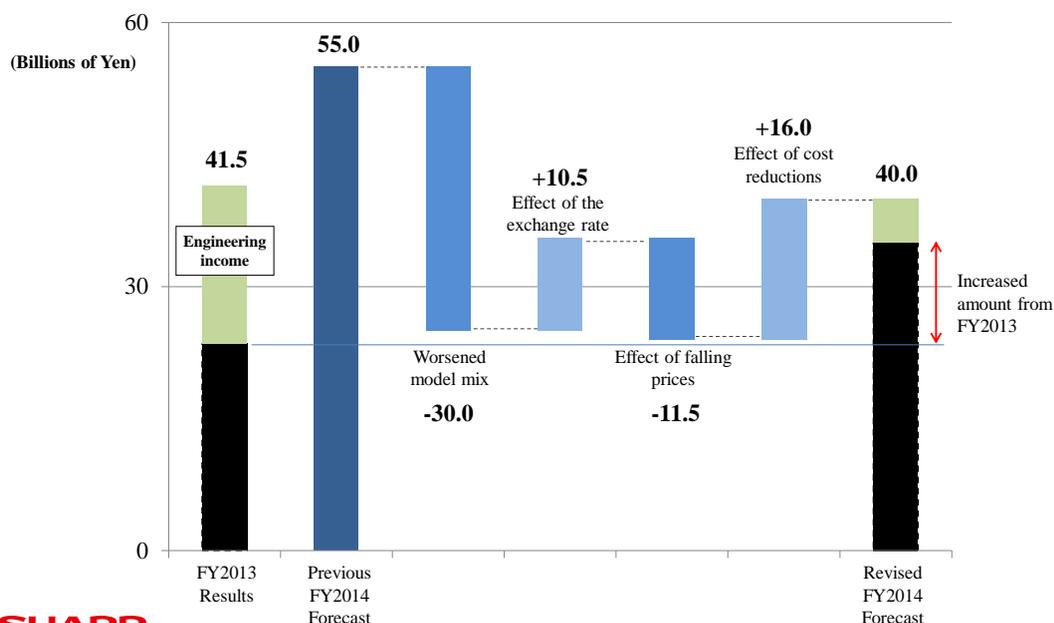
- ✓ Slow demand growth in the medium-size LCD market (tablets, etc.)
- ✓ Increased channel inventory in the Chinese smartphone market
 - Falling panel prices due to competition
 - Slow demand growth in the high-resolution smartphone market
- ✓ Worsened model mix

Future policies

- ✓ Expand sales and develop new customers in medium-size LCDs
- ✓ Establish a competitive advantage in the Chinese market
 - Enhance the sales structure in the South China region
 - Increase high-added value with IGZO LCDs, implement cost innovation
 - Early mass-production of in-cell touch panels
- ✓ Optimize the mix of small- and medium-size / large-size LCD application

Factors in Fluctuations for LCD Business Operating Income

• FY2014 operating income forecast has changed from 55.0 billion to 40.0 billion yen, which represents in an increase of nearly 1.5-fold if not factoring in the engineering income from operating income in FY2013.



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Improving Profit Structure

- We have been implementing Medium-Term Management Plan initiatives to achieve the goals of "Recovery and Growth".
- Future business growth through existing measures is becoming increasingly difficult due to rapid changes in the business environment such as fluctuating market conditions and intensifying competition.
- To achieve recovery through maintaining a steady profit structure, we will establish a new Medium-Term Management Plan based on fundamental structure reform, which will be announced in May together with the FY2014 financial results.

Fundamental structural reform

- LCD TVs and Energy Solutions
 - ◆ Return to profit in the loss-making regions, channels, and categories
- Cost reduction through re-establishment of supply chain
- Reduce fixed costs, without exception, by streamlining the organizational structure and carrying out institutional reforms
- Establish new profit models by shifting management resources to new and growing markets

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III. Information by Product Group

Digital Information Equipment

(Billions of Yen)

	FY2014									FY2014	
	1Q	2Q	3Q	Change (Q on Q)	Change (Y on Y)	4Q	Change (Q on Q)	Change (Y on Y)	Revised Full Year Forecast	Change (Y on Y)	(10/31) Previous Full Year Forecast
Sales	101.9	118.5	122.6	+3.5%	-11.2%	106.7	-13.0%	-11.6%	450.0	-7.3%	470.0
LCD TVs	85.7	103.3	104.3	+0.9%	-12.2%	86.5	-17.0%	-14.3%	380.0	-8.2%	400.0
Operating Income (margin)	-5.6 (-5.6%)	5.6 (4.8%)	-3.5 (-2.9%)	-	-	-8.4 (-7.9%)	-	-	-12.0 (-2.7%)	-	6.0 (1.3%)

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

[FY2014 3Q Results]

- Japan: Profitability deterioration due to effect of market downturns and intensified price competition.
- North America: Increased price competition
- China: Increased price competition and slump in sales due to downturns in the market and excess channel inventory.

[Future Initiatives]

- Japan: Expand the lineup and strengthen cost competitiveness revamping the value chain
- North America: Create high-value added models including enhancement of 4K lineup and commercialization of next-generation high-resolution models
- China: Reduce channel inventory and revamp the sales channels

Communications

(Billions of Yen)

	FY2014									FY2014	
	1Q	2Q	3Q	Change		4Q	Change		Revised Full Year Forecast	Change (Y on Y)	(10/31) Previous Full Year Forecast
				(Q on Q)	(Y on Y)		(Q on Q)	(Y on Y)			
Sales	66.6	45.5	72.0	+58.4%	-8.4%	55.7	-22.7%	-8.7%	240.0	-3.1%	240.0
Mobile Phones	49.6	36.2	64.1	+76.8%	-7.4%	49.9	-22.2%	+2.2%	200.0	-2.7%	200.0
Operating Income (margin)	8.3 (12.5%)	-0.7 (-1.6%)	8.2 (11.5%)	-	+62.2%	-1.8 (-3.3%)	-	-	14.0 (5.8%)	3.6-fold	14.0 (5.8%)

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

[FY2014 3Q Results]

- Secure profits through launch of high-value added models and cost reductions.

[Future Initiatives]

- Expand sales of smartphones with special features to increase domestic market share and achieve further cost reduction.
- Create models with unique features distinguished from competitors such as next-generation mobile phones.

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Health and Environmental Equipment

(Billions of Yen)

	FY2014									FY2014	
	1Q	2Q	3Q	Change		4Q	Change		Revised Full Year Forecast	Change (Y on Y)	(10/31) Previous Full Year Forecast
				(Q on Q)	(Y on Y)		(Q on Q)	(Y on Y)			
Sales	82.1	80.7	77.6	-3.7%	-5.4%	89.4	+15.2%	+5.4%	330.0	+1.0%	340.0
Operating Income (margin)	3.1 (3.9%)	4.5 (5.7%)	4.2 (5.5%)	-7.1%	-25.1%	5.9 (6.7%)	+40.3%	+5.7%	18.0 (5.5%)	-14.4%	19.0 (5.6%)

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

[FY2014 3Q Results]

- Reduction in sales due to slow demand in the domestic white goods market.
- Decreased profitability due to slow response to exchange rate fluctuations.

[Future Initiatives]

- Create products that will stimulate demand and launch unique specialized products.
- Enhancement of sales structure and sale of products designed for specific regions such as new products that are energy-efficient and have excellent cooling performance to ASEAN countries.
- Japanese production of some high-value-added products.

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Energy Solutions

(Billions of Yen)											
	FY2014									FY2014	
	1Q	2Q	3Q	Change (Q on Q)	Change (Y on Y)	4Q	Change (Q on Q)	Change (Y on Y)	Revised Full Year Forecast	Change (Y on Y)	(10/31) Previous Full Year Forecast
Sales	69.0	73.9	53.6	-27.4%	-50.6%	83.3	+55.4%	-48.6%	280.0	-36.2%	290.0
Operating Income (margin)	0.1 (0.3%)	-0.4 (-0.6%)	-1.6 (-3.0%)	-	-	-3.0 (-3.7%)	-	-	-5.0 (-1.8%)	-	3.0 (1.0%)

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

Volume (Solar Cells) (MW)	360	537	349	-35.1%	-24.0%	655	1.9-fold	-11.1%	1,900	-9.5%	2,000
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[FY2014 3Q Results]

- Decline in sales from the overseas developer business and decline in sales from the residential-use and industrial-use businesses domestically.
- Operating income suffered a loss due to significant decrease in sales.

[Future Initiatives]

- Reduce fixed costs by streamlining the organizational structure and revamping the value chain.
- Globalize the energy solutions business

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Business Solutions

(Billions of Yen)											
	FY2014									FY2014	
	1Q	2Q	3Q	Change (Q on Q)	Change (Y on Y)	4Q	Change (Q on Q)	Change (Y on Y)	Revised Full Year Forecast	Change (Y on Y)	(10/31) Previous Full Year Forecast
Sales	79.2	85.2	85.1	-0.1%	+10.5%	90.2	+5.9%	+8.3%	340.0	+6.6%	340.0
Operating Income (margin)	7.7 (9.8%)	8.1 (9.6%)	7.6 (9.0%)	-5.9%	+25.2%	6.3 (7.1%)	-16.8%	-24.5%	30.0 (8.8%)	-1.8%	30.0 (8.8%)

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

[FY2014 3Q Results]

- Increased sales and profits due to robust sales of MFPs in overseas markets, in addition to growth of information display in Japan and overseas.

[Future Initiatives]

- Expand sales of high-speed MFPs in developed countries and strengthen sales of color MFPs in emerging countries.
- Expand convenience store print services and improve the menu selections.
- Enhance solution proposals focused on large-size displays.
- Develop new customers using work-style proposals that incorporate MFPs, displays, and tablets.

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LCDs

(Billions of Yen)

	FY2014										FY2014
	1Q	2Q	3Q	Change (Q on Q)	Change (Y on Y)	4Q	Change (Q on Q)	Change (Y on Y)	Revised Full Year Forecast	Change (Y on Y)	(10/31)
											Previous Full Year Forecast
Sales	206.9	253.9	238.0	-6.3%	-14.2%	271.0	+13.8%	+15.3%	970.0	-2.1%	1,000.0
Operating Income (margin)	2.1 (1.0%)	18.6 (7.4%)	11.4 (4.8%)	-38.6%	-55.9%	7.7 (2.8%)	-32.8%	+11.7%	40.0 (4.1%)	-3.8%	55.0 (5.5%)

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

[FY2014 3Q Results]

- Slow demand growth in the medium-size LCD market
- Increased channel inventory in the Chinese smartphone market
- Worsened model mix and decreased revenue and profit over FY2014 2Q.
- The ratio of small- and medium-size LCDs at Kameyama No. 2 Plant remains at 35% in FY2014 3Q.

[Future Initiatives]

- Expand sales and develop new customers for medium-size LCDs
- Establish a competitive advantage in the Chinese market
- Optimize the mix of small- and medium-size / large-size LCD application

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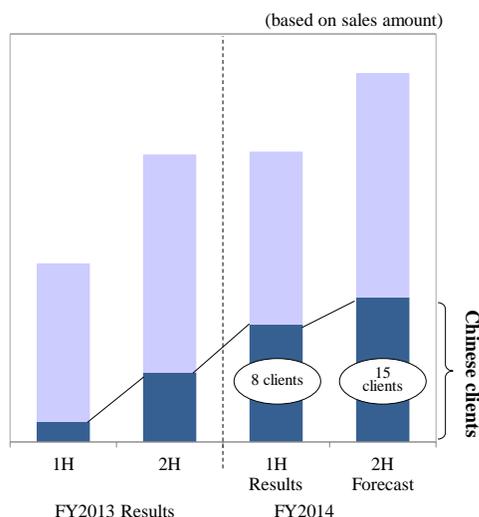
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Sales and Trends in LCDs for Smartphones

- Steady progress in sales amount and high-resolution shift.
- To increase sales, enhance the sales structure, create appealing products, and strengthen cost competitiveness.

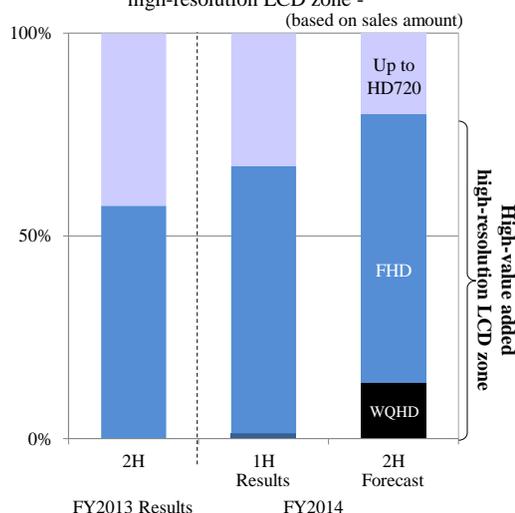
Sales of LCDs for smartphones

- Expanded client base in China -



Composition ratio of sales of LCDs for smartphones*

- Expanded high-value added high-resolution LCD zone -



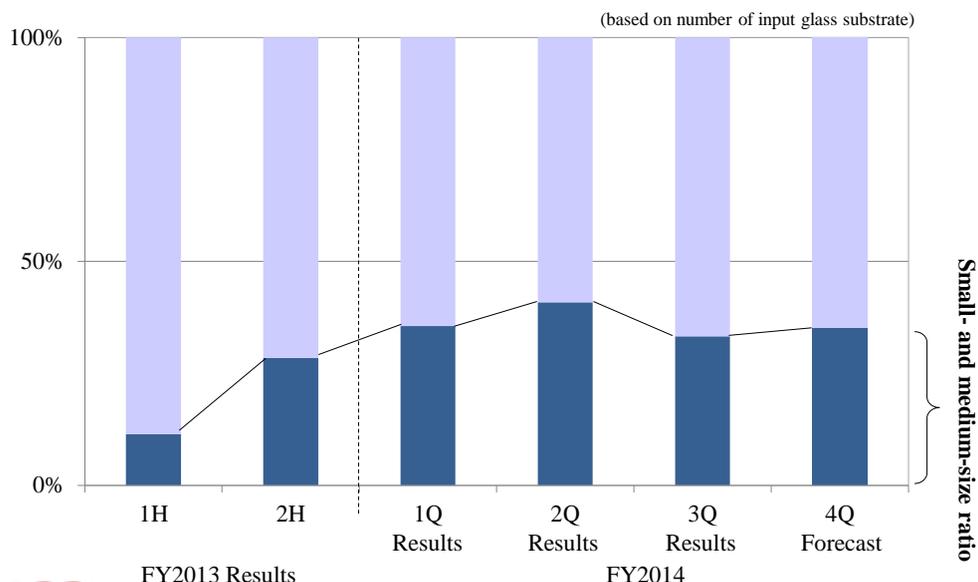
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*Excluding the Kameyama No.1 Plant

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Small- and Medium-size LCD Production Ratio at Kameyama No. 2 Plant

- With expected expansion in the small- and medium-size segments, the 2Q (Jul.-Sep.) increased by 40% but the total average for the second half is forecasted to remain at 35%.
- Optimized application mix through development of new customers and expansion of sales for medium-size LCDs.



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Electronic Devices

(Billions of Yen)

	FY2014									FY2014	
	1Q	2Q	3Q	Change (Q on Q)	Change (Y on Y)	4Q	Change (Q on Q)	Change (Y on Y)	Revised Full Year Forecast	Change (Y on Y)	
	(10/31) Previous Full Year Forecast										
Sales	58.9	90.8	156.1	+71.9%	+46.7%	134.0	-14.2%	+86.0%	440.0	+34.8%	420.0
Operating Income (margin)	-3.5 (-5.9%)	1.0 (1.1%)	2.6 (1.7%)	2.5-fold	-37.5%	2.8 (2.1%)	+7.8%	-	3.0 (0.7%)	-8.1%	3.0 (0.7%)

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

[FY2014 3Q Results]

- Strong sales of camera modules for smartphones.
- Operating income maintains profitability due to increased sales.

[Future Initiatives]

- Stabilize profits and improve customer and model mix through the following initiatives.
 - Expand sales of high-value-added devices (high-color rendering LEDs for small- and medium-size LCDs, touch panel solutions, proximity and illuminance sensors, etc.) by strengthening cooperation with the display device section.
 - Expand customer base through codevelopment of camera modules for smartphones with Chinese smartphone manufacturers.
 - Promote cost saving measures throughout the supply chain.

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Conclusion

Taking the deteriorated financial performances seriously, we will work hard on a recovery with firm determination.

IV. Supplementary Data

Sales by Product Group

Product Business

(Billions of Yen)

	FY2013					FY2014				
	1Q	2Q	3Q	4Q	Full Year	1Q	2Q	3Q	Change (Q on Q)	Change (Y on Y)
Digital Information Equipment	97.4	129.2	138.2	120.7	485.6	101.9	118.5	122.6	+3.5%	-11.2%
Communications	61.5	46.3	78.6	61.0	247.7	66.6	45.5	72.0	+58.4%	-8.4%
Digital Information Equipment	158.9	175.6	216.9	181.8	733.3	168.6	164.0	194.7	+18.7%	-10.2%
Health and Environmental Equipment	82.3	77.5	82.1	84.9	326.8	82.1	80.7	77.6	-3.7%	-5.4%
Energy Solutions	84.3	83.9	108.5	162.1	439.0	69.0	73.9	53.6	-27.4%	-50.6%
Business Solutions	77.6	80.7	77.1	83.3	318.8	79.2	85.2	85.1	-0.1%	+10.5%
Product Business	403.3	417.9	484.7	512.2	1,818.1	399.1	403.9	411.3	+1.8%	-15.1%

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

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Sales by Product Group

Device Business/Total

(Billions of Yen)

	FY2013					FY2014				
	1Q	2Q	3Q	4Q	Full Year	1Q	2Q	3Q	Change (Q on Q)	Change (Y on Y)
LCDs	193.8	284.7	277.5	234.9	991.0	206.9	253.9	238.0	-6.3%	-14.2%
Electronic Devices	61.2	86.5	106.4	72.0	326.3	58.9	90.8	156.1	+71.9%	+46.7%
Device Business	255.0	371.3	384.0	307.0	1,317.4	265.9	344.7	394.2	+14.3%	+2.7%
Sub Total	658.3	789.2	868.7	819.2	3,135.6	665.0	748.7	805.5	+7.6%	-7.3%
Adjustments	-50.4	-55.1	-53.4	-49.3	-208.4	-45.3	-40.8	-42.7	-	-
Total	607.9	734.1	815.2	769.8	2,927.1	619.7	707.9	762.7	+7.7%	-6.4%

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

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Operating Income by Product Group

Product Business

(Billions of Yen)

	FY2013					FY2014				
	1Q	2Q	3Q	4Q	Full Year	1Q	2Q	3Q	Change (Q on Q)	Change (Y on Y)
Digital Information Equipment	-2.1 (-2.2%)	5.2 (4.1%)	3.3 (2.4%)	2.4 (2.0%)	8.9 (1.8%)	-5.6 (-5.6%)	5.6 (4.8%)	-3.5 (-2.9%)	-	-
Communications	0.7 (1.2%)	-3.0 (-6.5%)	5.1 (6.5%)	1.0 (1.8%)	3.9 (1.6%)	8.3 (12.5%)	-0.7 (-1.6%)	8.2 (11.5%)	-	+62.2%
Digital Information Equipment	-1.3 (-0.9%)	2.2 (1.3%)	8.4 (3.9%)	3.4 (1.9%)	12.8 (1.8%)	2.6 (1.6%)	4.9 (3.0%)	4.7 (2.4%)	-4.7%	-44.6%
Health and Environmental Equipment	6.4 (7.8%)	3.2 (4.2%)	5.6 (6.9%)	5.6 (6.7%)	21.0 (6.4%)	3.1 (3.9%)	4.5 (5.7%)	4.2 (5.5%)	-7.1%	-25.1%
Energy Solutions	6.8 (8.1%)	3.0 (3.7%)	5.9 (5.5%)	16.5 (10.2%)	32.4 (7.4%)	0.1 (0.3%)	-0.4 (-0.6%)	-1.6 (-3.0%)	-	-
Business Solutions	7.5 (9.8%)	8.3 (10.3%)	6.1 (8.0%)	8.4 (10.2%)	30.5 (9.6%)	7.7 (9.8%)	8.1 (9.6%)	7.6 (9.0%)	-5.9%	+25.2%
Product Business	19.4 (4.8%)	16.8 (4.0%)	26.2 (5.4%)	34.1 (6.7%)	96.8 (5.3%)	13.7 (3.4%)	17.2 (4.3%)	15.0 (3.7%)	-12.7%	-42.8%

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*Figures within parentheses indicate operating income margin. 33

Operating Income by Product Group

Device Business/Total

(Billions of Yen)

	FY2013					FY2014				
	1Q	2Q	3Q	4Q	Full Year	1Q	2Q	3Q	Change (Q on Q)	Change (Y on Y)
LCDs	-9.5 (-4.9%)	18.1 (6.4%)	26.0 (9.4%)	6.9 (2.9%)	41.5 (4.2%)	2.1 (1.0%)	18.6 (7.4%)	11.4 (4.8%)	-38.6%	-55.9%
Electronic Devices	0.1 (0.2%)	5.1 (5.9%)	4.2 (4.0%)	-6.1 (-8.6%)	3.2 (1.0%)	-3.5 (-5.9%)	1.0 (1.1%)	2.6 (1.7%)	2.5-fold	-37.5%
Device Business	-9.3 (-3.7%)	23.3 (6.3%)	30.2 (7.9%)	0.7 (0.2%)	44.8 (3.4%)	-1.3 (-0.5%)	19.7 (5.7%)	14.1 (3.6%)	-28.5%	-53.3%
Sub Total	10.0 (1.5%)	40.1 (5.1%)	56.4 (6.5%)	34.8 (4.3%)	141.6 (4.5%)	12.3 (1.9%)	36.9 (4.9%)	29.1 (3.6%)	-21.1%	-48.4%
Adjustments	-7.0	-9.3	-8.8	-7.8	-33.0	-7.6	-12.4	-7.1	-	-
Total	3.0 (0.5%)	30.8 (4.2%)	47.6 (5.8%)	27.0 (3.5%)	108.5 (3.7%)	4.6 (0.8%)	24.5 (3.5%)	22.0 (2.9%)	-10.3%	-53.8%

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*Figures within parentheses indicate operating income margin.

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Sales of Main Products

(Billions of Yen)

	FY2013					FY2014					
	1Q	2Q	3Q	4Q	Full Year	1Q	2Q	3Q	Change (Y on Y)	Full Year Forecast	Change (Y on Y)
LCD TVs	80.3	113.7	118.8	100.9	413.8	85.7	103.3	104.3	-12.2%	380.0	-8.2%
Unit (million units)	1.56	2.12	2.18	1.94	7.81	1.73	1.86	1.74	-19.8%	7.00	-10.5%
Mobile Phones	50.2	37.2	69.2	48.8	205.5	49.6	36.2	64.1	-7.4%	200.0	-2.7%
Unit (million units)	1.31	1.11	1.77	1.30	5.51	1.23	1.17	1.79	+1.0%	5.60	+1.6%
Refrigerators	22.9	24.6	23.2	24.9	95.7	23.9	24.0	22.1	-4.5%	95.0	-0.7%
Air Conditioners	26.1	16.4	10.9	15.4	68.9	23.6	18.4	8.0	-26.4%	65.0	-5.7%
Copiers / Printers	36.4	29.8	31.6	36.5	134.4	34.3	39.1	38.2	+21.0%	155.0	+15.3%
CCD / CMOS Imagers	34.8	49.6	84.2	49.3	218.1	38.8	64.7	129.3	+53.5%	320.0	+46.7%

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Capital Investment and Depreciation, etc.

(Billions of Yen)

	FY2013					FY2014					
	1Q	2Q	3Q	4Q	Full Year	1Q	2Q	3Q	Change (Y on Y)	Full Year Forecast	Change (Y on Y)
Capital Investment	10.5	10.9	11.2	16.6	49.4	14.5	16.6	9.3	-16.6%	70.0	+41.6%
LCDs	4.3	3.9	5.2	9.9	23.5	5.7	7.1	4.3	-17.5%	32.0	+36.0%
Depreciation and Amortization	29.9	28.7	27.7	28.1	114.6	24.4	25.5	26.5	-4.3%	110.0	-4.0%
R&D Expenditures	35.4	30.0	35.9	30.6	132.1	34.4	31.4	38.1	+6.0%	140.0	+6.0%

Exchange Rate

	FY2013					FY2014			
	1Q	2Q	3Q	4Q	Full Year	1Q	2Q	3Q	4Q Forecast
U.S. Dollar	¥97.76	¥97.96	¥99.46	¥101.78	¥99.24	¥101.16	¥102.93	¥113.55	¥120.00
Euro	¥127.46	¥129.57	¥135.20	¥139.29	¥132.88	¥138.56	¥136.26	¥141.59	¥136.00

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Sales by Product Group and Operating Income (by half year)

Product Business

(Billions of Yen)

	Sales						Operating Income					
	FY2013			FY2014			FY2013			FY2014		
	1H	2H	Full Year	1H	2H Forecast	Full Year Forecast	1H	2H	Full Year	1H	2H Forecast	Full Year Forecast
Digital Information Equipment	226.6	259.0	485.6	220.5	229.4	450.0	3.1 (1.4%)	5.7 (2.2%)	8.9 (1.8%)	0.0 (-0.0%)	-11.9 (-5.2%)	-12.0 (-2.7%)
Communications	107.9	139.7	247.7	112.1	127.8	240.0	-2.2 (-2.1%)	6.1 (4.4%)	3.9 (1.6%)	7.5 (6.7%)	6.4 (5.0%)	14.0 (5.8%)
Digital Information Equipment	334.6	398.7	733.3	332.7	357.2	690.0	0.8 (0.3%)	11.9 (3.0%)	12.8 (1.8%)	7.5 (2.3%)	-5.5 (-1.6%)	2.0 (0.3%)
Health and Environmental Equipment	159.8	167.0	326.8	162.8	167.1	330.0	9.6 (6.0%)	11.3 (6.8%)	21.0 (6.4%)	7.7 (4.8%)	10.2 (6.1%)	18.0 (5.5%)
Energy Solutions	168.2	270.7	439.0	142.9	137.0	280.0	9.8 (5.9%)	22.5 (8.3%)	32.4 (7.4%)	-0.2 (-0.2%)	-4.7 (-3.4%)	-5.0 (-1.8%)
Business Solutions	158.4	160.4	318.8	164.5	175.4	340.0	15.9 (10.1%)	14.6 (9.1%)	30.5 (9.6%)	15.9 (9.7%)	14.0 (8.0%)	30.0 (8.8%)
Product Business	821.2	996.9	1,818.1	803.1	836.8	1,640.0	36.3 (4.4%)	60.4 (6.1%)	96.8 (5.3%)	30.9 (3.9%)	14.0 (1.7%)	45.0 (2.7%)

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

*Figures within parentheses indicate operating income margin.

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Sales by Product Group and Operating Income (by half year)

Device Business/Total

(Billions of Yen)

	Sales						Operating Income					
	FY2013			FY2014			FY2013			FY2014		
	1H	2H	Full Year	1H	2H Forecast	Full Year Forecast	1H	2H	Full Year	1H	2H Forecast	Full Year Forecast
LCDs	478.5	512.5	991.0	460.9	509.0	970.0	8.6 (1.8%)	32.9 (6.4%)	41.5 (4.2%)	20.8 (4.5%)	19.1 (3.8%)	40.0 (4.1%)
Electronic Devices	147.8	178.5	326.3	149.7	290.2	440.0	5.2 (3.5%)	-1.9 (-1.1%)	3.2 (1.0%)	-2.4 (-1.6%)	5.4 (1.9%)	3.0 (0.7%)
Device Business	626.4	691.0	1,317.4	610.7	799.2	1,410.0	13.9 (2.2%)	30.9 (4.5%)	44.8 (3.4%)	18.3 (3.0%)	24.6 (3.1%)	43.0 (3.0%)
Sub Total	1,447.6	1,687.9	3,135.6	1,413.8	1,636.1	3,050.0	50.2 (3.5%)	91.3 (5.4%)	141.6 (4.5%)	49.2 (3.5%)	38.7 (2.4%)	88.0 (2.9%)
Adjustments	-105.6	-102.8	-208.4	-86.1	-63.8	-150.0	-16.4	-16.6	-33.0	-20.0	-17.9	-38.0
Total	1,342.0	1,585.1	2,927.1	1,327.6	1,572.3	2,900.0	33.8 (2.5%)	74.7 (4.7%)	108.5 (3.7%)	29.2 (2.2%)	20.7 (1.3%)	50.0 (1.7%)

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

*Figures within parentheses indicate operating income margin.

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Overseas Sales by region (by half year)

Top: Sales (billions of yen)
Bottom : Composition ratio (%)

	FY2013			FY2014	
	1H	2H	Full Year	1H	Changes (Y on Y)
The Americas	204.2	264.2	468.4	165.6	-18.9%
	25.6%	27.0%	26.4%	19.9%	-
Europe	77.8	66.9	144.8	71.4	-8.3%
	9.7%	6.8%	8.1%	8.6%	-
China	382.5	542.8	925.3	487.8	+27.5%
	48.0%	55.4%	52.1%	58.6%	-
Other	133.0	105.4	238.4	107.7	-19.0%
	16.7%	10.8%	13.4%	12.9%	-
Total	797.6	979.4	1,777.0	832.7	+4.4%
	100.0%	100.0%	100.0%	100.0%	-

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