FINANCIAL RELEASE

FINANCIAL RESULTS
FOR THE YEAR ENDED
MARCH 31, 2007

SHARP CORPORATION

CONSOLIDATED FINANCIAL RESULTS

(The information for the year ended March 31, 2007 is unaudited)

SHARP CORPORATION
Head Office : 22-22 Nagaike-cho, Abeno-ku
Osaka, Japan

1. Results for the Year Ended March 31, 2007

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

(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	Percent Change	Net Income	Percent Change
Year Ended March 31, 2007	3,127,771	+11.8%	186,531	+13.9%	101,717	+14.7%
Year Ended March 31, 2006	2,797,109	+10.1%	163,710	+8.4%	88,671	+15.4%

	Net Income per Share (Yen)	Fully Diluted Net Income per Share (Yen)	Net Income to Equity	Operating Income to Net Sales
Year Ended March 31, 2007	93.25	90.00	8.9%	6.0%
Year Ended March 31, 2006	80.85	—	8.4%	5.9%

Reference: Equity in net income of non-consolidated subsidiaries and affiliates : March 31, 2007 ; 612 million yen
March 31, 2006 ; 1,023 million yen

(2) Financial Position

Millions of Yen

	Total Assets	Net Assets	Equity Ratio	Net Assets per Share (Yen)
As of March 31, 2007	2,968,810	1,192,205	39.9%	1,084.76
As of March 31, 2006	2,560,299	1,098,910	42.9%	1,006.91

Reference: Equity : March 31, 2007 ; 1,183,127 million yen
March 31, 2006 ; — million yen

(3) Summary of Consolidated 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, 2007	314,352	(328,789)	41,170	329,286
Year Ended March 31, 2006	263,753	(229,386)	(33,760)	299,466

2. Dividends

	Dividend per Share (Yen)			Total Dividend Payment (Millions of yen)	Pay-out Ratio (Consolidated)	Dividend to Net Assets (Consolidated)
	Interim	Year-End	Annual			
Year Ended March 31, 2006	10.00	12.00	22.00	24,001	27.2%	2.3%
Year Ended March 31, 2007	12.00	14.00	26.00	28,359	27.9%	2.5%
Year Ending March 31, 2008 (Forecast)	14.00	14.00	28.00		29.1%	

3. Forecast of Financial Results for the Year Ending March 31, 2008

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

Millions of Yen

	Net Sales	Percent Change	Operating Income	Percent Change	Net Income	Percent Change	Net Income per Share (Yen)
Year Ending March 31, 2008	3,400,000	+8.7%	190,000	+1.9%	105,000	+3.2%	96.27

4. Other Information

(1) Changes in Consolidated Subsidiaries (Changes in Scope of Consolidation)

No change

(2) Changes in Accounting Principles, Procedures and Presentation Methods for Consolidated Financial Results

(1) Changes arising from revision of accounting standards: Yes

(2) Changes arising from other factors: Yes

Note: For detailed information, please refer to "Changes in Accounting Methods."

(3) Number of Shares Outstanding (Ordinary Shares)

(1) Number of shares outstanding (including treasury stock) as of March 31, 2007 ; 1,110,699,887 shares

as of March 31, 2006 ; 1,110,699,887 shares

(2) Number of shares of treasury stock as of March 31, 2007 ; 20,021,018 shares

as of March 31, 2006 ; 19,798,861 shares

Note: For number of shares serving as a basis for calculating net income per share (consolidated), please refer to "Per Share Information."

Operating Results

1. Analysis of Financial Results and Financial Position

(1) Fiscal 2006 in Review

During fiscal 2006, the Japanese economy continued to recover modestly, supported by solid export growth and corporate investment due to improved earnings results. However, private consumption has remained almost flat. Overseas, while a decelerating trend was seen in the U.S. economy, such as slowing in the housing market, the Asian economy, including China, maintained high growth and the European economy as a whole continued to recover steadily.

The Sharp Group took assertive initiatives through the introduction of one-of-a-kind products and through the development of proprietary devices which support the creation of these one-of-a-kind products. We consistently focused on making highly distinctive products and devices and thus realized higher profitability. The following are examples of our efforts made during this fiscal year:

In the Consumer/Information Products business, we worked to further expand sales of LCD color TVs. Amid increasing demand for LCD TVs around the globe, we expanded our lineup of large-size LCD TVs, including cutting-edge full high-definition models, and worked toward expanding sales worldwide. Other efforts included a release of unique products, such as mobile phones capable of receiving “One segment broadcasting” or “One Seg,” a new type of terrestrial digital broadcasting for mobile equipment.

In the Electronic Components business, we strived to further expand LCD business. For large-size LCDs, we began operations at the Kameyama No.2 plant. This is the world's first LCD production facility to adopt eighth generation glass substrates, which enables the production of 40- and 50-inch-class LCD panels with extremely high efficiency. We also started the second phase at the plant, intensifying production capacity for large-size LCDs. For small- and medium-size LCDs, we increased sales of System LCDs for mobile equipment, including mobile phones. Additionally, we have taken various other actions, such as capacity enhancement for solar cells and creation of distinctive devices intended for our uniquely featured products.

As a result, the current fiscal year recorded domestic net sales of 1,526.9 billion yen, up 9.3% over the previous year, and overseas net sales of 1,600.8 billion yen, up 14.3%, for a total of 3,127.7 billion yen, up 11.8%. Operating income was 186.5 billion yen, up 13.9% from the previous year. Net income was 101.7 billion yen, up 14.7%.

Regarding cash flow, net cash provided by operating activities was 314.3 billion yen, while net cash used in investing activities was 328.7 billion yen. Net cash provided by financing activities was 41.1 billion yen. As a result, cash and cash equivalents at the end of the period were 329.2 billion yen, an increase of 29.8 billion yen from the previous year end.

Operating results by product group are as follows:

Consumer/Information Products

Sales of Audio-Visual and Communication Equipment were 1,381.1 billion yen, up 26.6% over the previous year. Sales of LCD color TVs, mainly large-size models, and mobile phones increased, contributing to the overall sales increase.

Sales of Home Appliances were 239.0 billion yen, up 6.4%. Our uniquely featured products contributed to the growth.

Sales of Information Equipment were 437.9 billion yen, up 4.0%. Sales of copier/printers, mainly digital full-color MFPs increased, resulting in overall sales growth.

Electronic Components

Sales of LSIs were 141.0 billion yen, up 3.9% over the previous year. Sales of CCD/CMOS imagers increased, which offset the decrease in sales of flash memory.

Sales of LCDs were 628.8 billion yen, down 0.7%. Regarding panels for LCD color TVs, sales for outside customers decreased, resulting from increase in panels for internal use. Sales of panels for mobile equipment showed growth.

Sales of Other Electronic Components were 299.8 billion yen, up 3.0%. Sales increased for major devices, including those for Audio-Visual equipment.

(2) Forecast for Fiscal 2007

As for the outlook for fiscal 2007, the Japanese economy is expected to maintain a mild recovery, supported by improved private consumption. Overseas, though some uncertainties remain for the U.S. economy, economies in Europe and Asia are projected to grow steadily.

In an effort to achieve further growth, the Sharp Group is strengthening its one-of-a-kind strategy, while working to improve brand value and secure competitive advantage in the global market.

In the Consumer/Information Products business, we will work to further expand LCD color TV business. This is to be accomplished through globally expanding sales of large-size full high-definition models with enhanced image quality, functionality and design. We will also take measures to strengthen the competitiveness of our LCD TVs, by promoting drastic cost reduction, along with establishing a state-of-the-art global production system. One-of-a-kind products in other business areas will also be upgraded. These include our original cutting-edge mobile phones and wireless PDAs, utilizing our unique technologies.

In the Electronic Components business, we will engage in enhancing our line of original devices through the following measures. To further expand our LCD business, we will start the third phase at the Kameyama No.2 plant and increase sales of panels for LCD TVs. Other measures include boosting sales of System LCDs for mobile equipment. For other devices, including solar cells, we will also work to improve competitiveness through technological innovation and cost reduction.

In addition to these efforts, we will continuously promote R&D for future technologies and promote low-cost operation in order to achieve further growth. Lastly, we will continue to take initiatives proactively to enhance our CSR efforts, which include contributing to environmental preservation and complying with laws and statues in conducting business.

The following are the current forecasts for fiscal 2007. With the change of depreciation and amortization method arising from fiscal 2007 tax reform in Japan, depreciation and amortization for fiscal 2007 is expected to increase 20.0 billion yen, compared to the previous method. The impact of this change has been reflected in the following forecasts for operating income and net income.

Net sales	3,400.0 billion yen	+ 8.7 % over the previous fiscal year
Operating income	190.0 billion yen	+ 1.9 % over the previous fiscal year
Net income	105.0 billion yen	+ 3.2 % over the previous fiscal year

The above figures are based on an exchange rate of ¥115 =US$1.00 for fiscal 2007.

*The above estimates of financial results are based on certain assumptions that Sharp Corporation deemed reasonable at the time they were prepared, and actual financial results may differ significantly from these estimates. 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)
- Sharp’s ability to respond to rapid technological changes and changing consumer preferences with timely and cost-effective introductions of new products and services
- Regulations such as trade restrictions in other countries

**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.

2. Basic Policy on Distribution of Earnings and Dividends for Fiscal 2006/2007

Sharp 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, such as increasing the amount of periodic dividends. Under this policy, we have raised dividends for 6 consecutive years from fiscal 2000 though 2005 and will continue to return profit actively, targeting a consolidated pay-out ratio of 30%. For fiscal 2006, we intend to distribute an annual dividend of 26 yen per share, an increase of 4 yen over the previous year. With this dividend increase, our dividends will have been raised for 7 consecutive years. For fiscal 2007, we are planning to distribute an annual dividend of 28 yen per share (14 yen for interim and year-end, respectively), an increase of 2 yen over the previous year. Internal reserve funds are being provided for investment in plant and equipment in areas of future growth, for development of uniquely featured products and proprietary electronic devices. They are also being provided for overseas business expansion and environmental protection measures.

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

(1) Achieving Stable Growth and Enhancing Brand Value by a Vertically-Integrated Business Model

Sharp will maximize the strength of its vertically-integrated business model and promote the creation of unique products equipped with its original cutting-edge devices. Especially for LCDs, our core competence, we will globally introduce LCD applications, including LCD color TVs, by intensifying R&D, expanding production capacity and improving cost competitiveness. Through these efforts, we are committed to achieving stable growth as a "valued one-of-a-kind company" and enhancing our brand value globally.

(2) Efforts to Protect the Environment

Sharp sees the issue of environmental protection as a medium-term business challenge. With our energy-creating and energy-saving technologies, we aim to achieve our corporate vision of being a company that has "zero global warming impact" by fiscal 2010. We will contribute to the realization of a sustainable society by pursuing coexistence of business expansion and environmental protection. Specifically, we will work to reduce the environmental burden at all production stages, along with enhancing the business of photovoltaic power generation systems and introducing environmentally friendly products.

(3) Strengthening Our Business Foundation to Support Production

Sharp will strengthen the fundamentals of its manufacturing activities, which we see as a driving force for future growth. These include establishing an efficient value-chain which enables delivery with a shortened lead time at low cost and promoting global procurement activities. We will also take proactive strategies for intellectual property and pursue securing high reliability and quality for our products.

(4) Maximizing the Management Resources to Improve Corporate Competitiveness

In an effort to achieve further corporate competitiveness, Sharp will promote effective utilization of its management resources. These include nurturing our core personnel from a global standpoint and deploying financial strategies for more aggressive investment activities. We will also promote the proliferation of IT through the entire value chain.

By deploying these business strategies, we are aiming to improve ROE (return on equity) and free cash flow as the main management indicators, as well as working to further increase corporate value. We are also continuing to focus on enhancing our return on investment in all our business divisions, based on "profit after capital cost" (PCC), which is calculated by subtracting the cost of invested capital from NOPAT (net operating profit after income taxes).

SHARP CORPORATION

CONSOLIDATED BALANCE SHEETS

Millions of Yen

	March 31, 2006	March 31, 2007	Increase Decrease
ASSETS			
Current Assets:			
Cash, time deposits, and short-term investments	376,298	431,816	+ 55,518
Notes and accounts receivable, less-allowance for doubtful receivables	578,699	705,281	+ 126,582
Inventories	336,344	435,643	+ 99,299
Other current assets	103,532	106,523	+ 2,991
Total current assets	1,394,873	1,679,263	+ 284,390
Plant and Equipment, Less Accumulated Depreciation	896,913	1,013,527	+ 116,614
Investments and Other Assets	268,513	271,155	+ 2,642
Deferred Assets	-	4,865	+ 4,865
Total assets	2,560,299	2,968,810	+ 408,511

[Reference]

	(March 31, 2006)	(March 31, 2007)
Capital Investment	218,966	284,190
Interest-Bearing Debt	522,469	601,467

SHARP CORPORATION

CONSOLIDATED BALANCE SHEETS

Millions of Yen

	March 31, 2006	March 31, 2007	Increase Decrease
LIABILITIES			
Current Liabilities:			
Short-term borrowings, including current portion of long-term debt	280,995	240,738	- 40,257
Notes and accounts payable	691,756	874,276	+ 182,520
Other current liabilities	222,303	277,251	+ 54,948
Total current liabilities	1,195,054	1,392,265	+ 197,211
Long-term Liabilities	257,601	384,340	+ 126,739
Total liabilities	1,452,655	1,776,605	+ 323,950
MINORITY INTERESTS			
Minority Interests	8,734	-	- 8,734
SHAREHOLDERS' EQUITY			
Shareholders' Equity:			
Common stock	204,676	-	- 204,676
Capital surplus	262,288	-	- 262,288
Retained earnings	668,687	-	- 668,687
Net unrealized holding gains on securities	27,992	-	- 27,992
Foreign currency translation adjustments	(38,352)	-	+ 38,352
Less-Cost of treasury stock	(26,381)	-	+ 26,381
Total shareholders' equity	1,098,910	-	- 1,098,910
Total liabilities, minority interests and shareholders' equity	2,560,299	-	- 2,560,299
NET ASSETS			
Owners' Equity:			
Common stock	-	204,676	+ 204,676
Capital surplus	-	262,295	+ 262,295
Retained earnings	-	745,209	+ 745,209
Less-Cost of treasury stock	-	(26,844)	- 26,844
Total owners' equity	-	1,185,336	+ 1,185,336
Valuation and Translation Adjustments:			
Net unrealized holding gains on securities	-	24,381	+ 24,381
Deferred gains on hedges	-	1	+ 1
Foreign currency translation adjustments	-	(26,591)	- 26,591
Total valuation and translation adjustments	-	(2,209)	- 2,209
Minority Interests	-	9,078	+ 9,078
Total net assets	-	1,192,205	+ 1,192,205
Total liabilities and net assets	-	2,968,810	+ 2,968,810

SHARP CORPORATION

CONSOLIDATED STATEMENTS OF INCOME

Millions of Yen

	Year Ended March 31, 2006		Year Ended March 31, 2007		Increase Decrease	Percent Change
	Amount	Ratio	Amount	Ratio		
		%		%		%
Net Sales	2,797,109	100.0	3,127,771	100.0	+ 330,662	+ 11.8
Cost of Sales	2,165,126	77.4	2,414,592	77.2	+ 249,466	+ 11.5
Gross profit	631,983	22.6	713,179	22.8	+ 81,196	+ 12.8
Selling, General and Administrative Expenses	468,273	16.7	526,648	16.8	+ 58,375	+ 12.5
Operating income	163,710	5.9	186,531	6.0	+ 22,821	+ 13.9
Other Income (Expenses)						
Interest and dividend income	5,769	0.2	6,913	0.2	+ 1,144	+ 19.8
Interest expense	(6,410)	0.2	(7,668)	0.2	- 1,258	+ 19.6
Other, net	(23,051)	0.9	(27,481)	0.9	- 4,430	+ 19.2
	(23,692)	0.9	(28,236)	0.9	- 4,544	+ 19.2
Income before income taxes and minority interests	140,018	5.0	158,295	5.1	+ 18,277	+ 13.1
Income Taxes						
Current	50,073	1.8	51,264	1.6	+ 1,191	+ 2.4
Deferred	608	0.0	4,607	0.2	+ 3,999	+ 657.7
Minority Interests in Income of Consolidated Subsidiaries	(666)	0.0	(707)	0.0	- 41	+ 6.2
Net Income	88,671	3.2	101,717	3.3	+ 13,046	+ 14.7

[Reference]

	(Year Ended March 31, 2006)	(Year Ended March 31, 2007)
Depreciation and Amortization	193,114	217,715
R&D expenditures	185,240	189,852

SHARP CORPORATION

CONSOLIDATED STATEMENT OF CHANGES IN NET ASSET

Year Ended March 31, 2007 Millions of Yen

	Owners' Equity				
	Common stock	Capital surplus	Retained earnings	Less-Cost of treasury stock	Total owners' equity
Balance at March 31, 2006	204,676	262,288	668,687	(26,381)	1,109,270
Changes of items during the period					
Dividends from surplus*			(13,091)		(13,091)
Dividends from surplus			(13,089)		(13,089)
Directors' bonus*			(468)		(468)
Net income			101,717		101,717
Increase resulting from increase in number of consolidated subsidiaries			1,875		1,875
Decrease resulting from increase in number of consolidated subsidiaries			(428)		(428)
Decrease resulting from change in accounting standards of consolidated subsidiaries			(2,826)		(2,826)
Increase due to unfunded retirement benefit obligation of foreign subsidiaries			2,832		2,832
Purchase of treasury stock				(480)	(480)
Disposal of treasury stock		7		17	24
Net changes of items other than owners' equity					
Total changes of items during the period	-	7	76,522	(463)	76,066
Balance at March 31, 2007	204,676	262,295	745,209	(26,844)	1,185,336

	Valuation and Translation Adjustments				Minority Interests	Total Net Assets
	Net unrealized holding gains on securities	Deferred losses on hedges	Foreign currency translation adjustments	Total valuation and translation adjustments		
Balance at March 31, 2006	27,992	-	(38,352)	(10,360)	8,734	1,107,644
Changes of items during the period						
Dividends from surplus*						(13,091)
Dividends from surplus						(13,089)
Directors' bonus*						(468)
Net income						101,717
Increase resulting from increase in number of consolidated subsidiaries						1,875
Decrease resulting from increase in number of consolidated subsidiaries						(428)
Decrease resulting from change in accounting standards of consolidated subsidiaries						(2,826)
Increase due to unfunded retirement benefit obligation of foreign subsidiaries						2,832
Purchase of treasury stock						(480)
Disposal of treasury stock						24
Net changes of items other than owners' equity	(3,611)	1	11,761	8,151	344	8,495
Total changes of items during the period	(3,611)	1	11,761	8,151	344	84,561
Balance at March 31, 2007	24,381	1	(26,591)	(2,209)	9,078	1,192,205

*Note: Appropriation of retained earnings resolved at Ordinary General Meeting of Shareholders held in June, 2006.

SHARP CORPORATION

CONSOLIDATED STATEMENTS OF CASH FLOWS

Millions of Yen

	Year Ended March 31, 2006	Year Ended March 31, 2007	Increase Decrease
Cash Flows from Operating Activities:			
Income before income taxes and minority interests	140,018	158,295	+ 18,277
Adjustments to reconcile income before income taxes and minority interests to net cash provided by operating activities －			
Depreciation and amortization of properties and intangibles	186,434	208,632	+ 22,198
Interest and dividend income	(5,769)	(6,913)	- 1,144
Interest expense	6,410	7,668	+ 1,258
Foreign exchange loss	2,070	2,760	+ 690
Loss on sales and disposal of plant and equipment	10,126	7,356	- 2,770
Increase in notes and accounts receivable	(43,716)	(73,726)	- 30,010
(Increase) decrease in inventories	2,693	(86,946)	- 89,639
Increase in payables	53,945	143,425	+ 89,480
Other, net	(35,119)	7,756	+ 42,875
Total	317,092	368,307	+ 51,215
Interest and dividends received	7,961	9,432	+ 1,471
Interest paid	(6,561)	(8,182)	- 1,621
Income taxes paid	(54,739)	(55,205)	- 466
Net cash provided by operating activities	263,753	314,352	+ 50,599
Cash Flows from Investing Activities:			
Purchase of time deposits	(60,020)	(120,063)	- 60,043
Proceeds from redemption of time deposits	65,104	95,072	+ 29,968
Proceeds from sales of short-term investments	21,739	6,480	- 15,259
Acquisitions of plant and equipment	(232,770)	(294,548)	- 61,778
Proceeds from sales of plant and equipment	609	1,407	+ 798
Purchase of investments in securities and investments in nonconsolidated subsidiaries and affiliates	(12,391)	(4,121)	+ 8,270
Proceeds from sales of investments in securities and investments in nonconsolidated subsidiaries and affiliates	5,748	1,944	- 3,804
Loans made	(4,785)	(1,063)	+ 3,722
Proceeds from collection of loans	4,561	683	- 3,878
Other, net	(17,181)	(14,580)	+ 2,601
Net cash used in investing activities	(229,386)	(328,789)	- 99,403
Cash Flows from Financing Activities:			
Decrease in short-term borrowings, net	(20,032)	(121,568)	- 101,536
Proceeds from long-term debt	105,588	218,370	+ 112,782
Repayments of long-term debt	(96,806)	(28,461)	+ 68,345
Purchase of treasury stock	(336)	(480)	- 144
Dividends paid	(21,812)	(26,181)	- 4,369
Other, net	(362)	(510)	- 148
Net cash provided by (used in) financing activities	(33,760)	41,170	+ 74,930
Effect of Exchange Rate Changes on Cash and Cash Equivalents	3,393	463	- 2,930
Net Increase in Cash and Cash Equivalents	4,000	27,196	+ 23,196
Cash and Cash Equivalents at Beginning of Year	295,312	299,466	+ 4,154
Cash and Cash Equivalents of Newly Consolidated Subsidiaries	0	2,583	+ 2,583
Cash and Cash Equivalents Increased by Merger	154	41	- 113
Cash and Cash Equivalents at End of Year	299,466	329,286	+ 29,820

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

- Finished products:
  For Sharp Corporation and domestic consolidated subsidiaries, primarily, stated at the lower of moving average cost or market.
  For overseas consolidated subsidiaries, primarily, stated at the lower of first-in, first-out cost or market.
- Work in process and raw materials:
  Primarily, stated at the current production and purchase costs.

3) Depreciation Methods Used for Tangible Fixed Assets

For Sharp Corporation and domestic consolidated subsidiaries, depreciation is based primarily on the declining-balance method (Except for machinery and equipment in the Mie and Kameyama Plants, which are depreciated on the straight line method).

Note that overseas consolidated subsidiaries primarily use the straight line method.

4) Method for Amortization for Deferred Assets

Bond issue cost is amortized under the straight line method over the redemption period.

5) Method for Appropriation for Accrued Bonuses

The reserve for payment of employee bonuses is set aside based on estimated amounts to be paid in the subsequent period.

6) Method for Appropriation for Severance and Pension Benefits

To provide for employees' severance and pension benefits, reserves are set aside based on the estimated amounts of projected benefit obligation and the fair value of plan assets at the end of the current consolidated fiscal year.

Further, net transition obligation is being amortized in equal amounts over 7 years.

Prior service costs are amortized over the average of the estimated remaining service lives (16 years).

Actuarial losses are recognized primarily in expenses over the average of estimated remaining services lives (16 years) commencing with the following period.

7) Accounting for Consumption Taxes, etc.

The tax exclusion method is applied.

8) Adoption of Consolidated Tax Return System

The consolidated tax return system is adopted.

Changes in Accounting Methods

Accounting Standard for Directors' Bonus

The "Accounting Standard for Directors' Bonus (ASBJ Statement No.4)" issued by the Accounting Standards Board of Japan on November 29, 2005, is being applied from this period. This change has immaterial impact on Consolidated Statements of Income.

Accounting Standard for Presentation of Net Assets in the Balance Sheet

A new description of the net assets section, based on "Accounting Standard for Presentation of Net Assets in the Balance Sheet (ASBJ Statement No.5)" and "Guidance on Accounting Standard for Presentation of Net Assets in the Balance Sheet (ASBJ Guidance No.8)" issued by the Accounting Standards Board of Japan on December 9, 2005, are being applied from this period. Also, the net assets section of this period is prepared in accordance with the amended Consolidated Financial Statement Regulations.

Royalty and Technical Assistance Fees and Related Costs

Previously, royalty and technical assistance fees were included in “Other income,” and the costs of the royalty and technical assistance fees were calculated in “Other expenses.” Starting from this period, however, these are included in “Net sales” and “Cost of sales,” respectively. This change was made to provide a more rational indication of the income classifications, since the income arises from main business activities carried out by Sharp. With this change, for the year ended March 31, 2007, net sales are up 15,614 million yen, cost of sales is up 4,458 million yen, and operating income is up 11,156 million yen, compared to the previous classification. However, these have no impact on income before income taxes and minority interests. For the impact that these changes had on segment information, please refer to “Segment Information.”

Method of Amortization for Bond Issue Cost

Previously, bond issue cost was fully expensed as incurred. Starting from this period, however, bond issue cost is capitalized as deferred assets and amortized under the straight line method over the redemption period. This change was made to recognize the effect of financing cost over the redemption period and realize appropriate periodic accounting of profit and loss. One of the reasons is because expansion in scale of bond issue led to increase in bond issue cost. Other reasons include the fact that effect of bond issue cost lasts over redemption period, not only when incurred, and that amortized cost method is adopted as a method of amortization for bonds. With this change, for the year ended March 31, 2007, income before income taxes and minority interests is up 4,865 million yen, compared to the previous method.

Additional Information

Previously, cost of software installed in products was, as a matter of practical convenience, recognized as manufacturing expense at the time of inspection. Starting from this period, however, cost of software installed in products is capitalized as an asset when accepted and recognized as manufacturing expense when the products installed with the software are sold, in accordance with “Accounting Standard for Research and Development Costs.” This change was made in response to the increasing monetary materiality of software installed in products, resulting from an increase of complicated and multifunctional products in the latter half of this fiscal year. With this change, for the year ended March 31, 2007, operating income and income before income taxes and minority interests are up 10,455 million yen, respectively, compared to the previous method.

SHARP CORPORATION

SEGMENT INFORMATION

Information by business segment*

Millions of Yen

	Year Ended March 31, 2006	Year Ended March 31, 2007
Net Sales		
Consumer/Information Products		
Customers	1,736,763	2,058,109
Intersegment	6,086	9,431
Total	1,742,849	2,067,540
Electronic Components		
Customers	1,060,346	1,069,662
Intersegment	297,724	492,024
Total	1,358,070	1,561,686
Elimination	(303,810)	(501,455)
Consolidated	2,797,109	3,127,771
Operating Income		
Consumer/Information Products	62,299	81,705
Electronic Components	101,914	105,519
Elimination	(503)	(693)
Consolidated	163,710	186,531

*Previously, royalty and technical assistance fees were included in "Other income," and the costs of the royalty and technical assistance fees were calculated in "Other expenses." However, as noted in "Changes in Accounting Methods," starting from this period, these are included in "Net sales" and "Cost of sales," respectively.

With this change, for the year ended March 31, 2007, net sales of "Consumer/Information Products" are up 3,583 million yen, and operating income is up 731 million yen. Net sales of "Electronic Components" are up 12,031 million yen, and operating income is up 10,425 million yen.

SHARP CORPORATION

SEGMENT INFORMATION

Information by geographic segment*

Millions of Yen

	Year Ended March 31, 2006		Year Ended March 31, 2007
Net Sales		Net Sales	
Japan		Japan	
Customers	1,742,349	Customers	1,860,199
Intersegment	708,691	Intersegment	909,956
Total	2,451,040	Total	2,770,155
The Americas		The Americas	
Customers	409,105	Customers	526,325
Intersegment	7,715	Intersegment	7,076
Total	416,820	Total	533,401
Europe		Europe	
Customers	425,371	Customers	490,338
Intersegment	3,662	Intersegment	3,445
Total	429,033	Total	493,783
Asia		China	
Customers	116,690	Customers	129,449
Intersegment	178,556	Intersegment	394,878
Total	295,246	Total	524,327
Other		Other	
Customers	103,594	Customers	121,460
Intersegment	290,868	Intersegment	218,244
Total	394,462	Total	339,704
Elimination	(1,189,492)	Elimination	(1,533,599)
Consolidated	2,797,109	Consolidated	3,127,771
Operating Income		Operating Income	
Japan	146,370	Japan	163,216
The Americas	3,358	The Americas	9,533
Europe	5,856	Europe	8,129
Asia	2,883	China	8,842
Other	7,201	Other	2,116
Elimination	(1,958)	Elimination	(5,305)
Consolidated	163,710	Consolidated	186,531

*1. Starting from this period, "China," which was previously included in "Other," is indicated as one of the geographic segments and "Asia," which was indicated as one of the geographic segments, is reclassified into "Other."

2. Major countries or regions in each geographic segment are as follows.
   - (1) The Americas: U.S.A., Canada
   - (2) Europe: Germany, U.K., Spain, France, Italy
   - (3) Other: Asia, Oceania, Middle East

   The following applies for the year ended March 31, 2006.
   - (1) The Americas: U.S.A., Canada
   - (2) Europe: Germany, U.K., Spain, France, Italy
   - (3) Asia: Malaysia, Thailand, Singapore, Indonesia
   - (4) Other: China, Oceania, Middle East

3. Previously, royalty and technical assistance fees were included in "Other income," and the costs of the royalty and technical assistance fees were calculated in "Other expenses." However, as noted in "Changes in Accounting Methods," starting from this period, these are included in "Net sales" and "Cost of sales," respectively.
   With this change, for the year ended March 31, 2007, net sales of "Japan" are up 38,151 million yen, and operating income is up 17,372 million yen. Net sales of "Elimination" are down 22,537 million yen, and operating income is down 6,216 million yen.

SHARP CORPORATION

SEGMENT INFORMATION

Overseas sales*

Millions of Yen

	Year Ended March 31, 2006		Year Ended March 31, 2007
The Americas	450,307	The Americas	582,588
Europe	488,945	Europe	523,301
Asia	214,131	China	305,895
Other	246,645	Other	189,049
Total	1,400,028	Total	1,600,833

*1. Overseas sales indicate the sales of Sharp Corporation and its consolidated subsidiaries made to customers located in countries or regions outside Japan.

2. Starting from this period, "China," which was previously included in "Other," is indicated as one of the geographic segments and "Asia," which was indicated as one of the geographic segments, is reclassified into "Other."

3. Major countries or regions in each geographic segment are as follows.

(1) The Americas: U.S.A., Canada, Central and South America
(2) Europe: Germany, U.K., Spain, France, Italy
(3) Other: Asia, Middle East, Oceania, Africa

The following applies for the year ended March 31, 2006.

(1) The Americas: U.S.A., Canada, Central and South America
(2) Europe: Germany, U.K., Spain, France, Italy
(3) Asia: South Korea, Singapore, Indonesia, Malaysia
(4) Other: China, Middle East, Oceania, Africa

4. Previously, royalty and technical assistance fees were included in "Other income," and the costs of the royalty and technical assistance fees were calculated in "Other expenses." However, as noted in "Changes in Accounting Methods," starting from this period, these are included in "Net sales" and "Cost of sales," respectively.
With this change, for the year ended March 31, 2007, net sales are up 102 million yen for "Europe," up 13,126 million yen for "China" and up 1,022 million yen for "Other."

SHARP CORPORATION

PER SHARE INFORMATION

Yen

	Year Ended March 31, 2006	Year Ended March 31, 2007
Net assets per share	1,006.91	1,084.76
Net income per share	80.85	93.25
Fully diluted net income per share	-	90.00
	As no residual securities exist, fully diluted net income per share is not presented.	

Note: Net income per share and fully diluted net income per share were calculated on the following basis.

	Year Ended March 31, 2006	Year Ended March 31, 2007
Net income per share		
Net income (millions of yen)	88,671	101,717
Amounts not allocated to ordinary shares (millions of yen)	468	-
(Bonus payments to directors (millions of yen))	(468)	-
Net income allocated to ordinary shares (millions of yen)	88,203	101,717
Average number of shares outstanding during each year (thousands of shares)	1,090,990	1,090,790
Fully diluted net income per share		
Adjustment to net income (millions of yen)	-	10
Increase in number of ordinary shares (thousands of shares)	-	39,510
(Bonds with subscription rights to shares (thousands of shares))	-	(39,510)
Residual securities which do not dilute net income per share	-	-

SHARP CORPORATION

CONSOLIDATED SALES BY PRODUCT GROUP

Millions of Yen

	Year Ended March 31, 2006		Year Ended March 31, 2007		Increase Decrease	Percent Change
	Amount	Ratio	Amount	Ratio		
		%		%		%
Audio - Visual and Communication Equipment	1,090,905	39.0	1,381,105	44.2	+ 290,200	+26.6
Home Appliances	224,650	8.0	239,081	7.6	+ 14,431	+6.4
Information Equipment	421,208	15.1	437,923	14.0	+ 16,715	+4.0
Consumer/Information Products	1,736,763	62.1	2,058,109	65.8	+ 321,346	+18.5
LSIs	135,754	4.9	141,000	4.5	+ 5,246	+3.9
LCDs	633,493	22.6	628,821	20.1	- 4,672	-0.7
Other Electronic Components	291,099	10.4	299,841	9.6	+ 8,742	+3.0
Electronic Components	1,060,346	37.9	1,069,662	34.2	+ 9,316	+0.9
Total	2,797,109	100.0	3,127,771	100.0	+ 330,662	+11.8
Domestic	1,397,081	49.9	1,526,938	48.8	+ 129,857	+9.3
Overseas	1,400,028	50.1	1,600,833	51.2	+ 200,805	+14.3

SHARP

SUPPLEMENTARY DATA

FOR THE YEAR ENDED MARCH 31, 2007

【CONSOLIDATED】

SHARP CORPORATION

SUPPLEMENTARY DATA

FOR THE YEAR ENDED MARCH 31, 2007

【CONSOLIDATED】

1.Financial Highlights

（Millions of Yen）

	Year ended March 31, 2007			Forecast for the year ending March 31, 2008		
	Amount	Ratio	Change	Amount	Ratio	Change
		%	%		%	%
Net Sales	3,127,771	100.0	+11.8	3,400,000	100.0	+8.7
（Domestic）	1,526,938	48.8	+9.3	1,650,000	48.5	+8.1
（Overseas）	1,600,833	51.2	+14.3	1,750,000	51.5	+9.3
Operating Income	186,531	6.0	+13.9	190,000	5.6	+1.9
Net Income	101,717	3.3	+14.7	105,000	3.1	+3.2
Net Income per Share (Yen)	93.25			96.27		

2.Sales by Product Group

（Millions of Yen）

		Year ended March 31, 2007			Forecast for the year ending March 31, 2008		
		Amount	Ratio	Change	Amount	Ratio	Change
			%	%		%	%
Audio-Visual and Communication Equipment	Domestic	913,715	29.2	+28.8	1,050,000	30.9	+14.9
	Overseas	467,390	15.0	+22.6	560,000	16.4	+19.8
	Total	1,381,105	44.2	+26.6	1,610,000	47.3	+16.6
Home Appliances	Domestic	130,160	4.2	+3.6	130,000	3.8	-0.1
	Overseas	108,921	3.4	+10.0	110,000	3.3	+1.0
	Total	239,081	7.6	+6.4	240,000	7.1	+0.4
Information Equipment	Domestic	191,162	6.1	-4.8	205,000	6.0	+7.2
	Overseas	246,761	7.9	+12.0	245,000	7.2	-0.7
	Total	437,923	14.0	+4.0	450,000	13.2	+2.8
Consumer/Information Products	Domestic	1,235,037	39.5	+19.2	1,385,000	40.7	+12.1
	Overseas	823,072	26.3	+17.5	915,000	26.9	+11.2
	Total	2,058,109	65.8	+18.5	2,300,000	67.6	+11.8
LSIs	Domestic	48,762	1.6	+23.6	45,500	1.3	-6.7
	Overseas	92,238	2.9	-4.2	104,500	3.1	+13.3
	Total	141,000	4.5	+3.9	150,000	4.4	+6.4
LCDs	Domestic	138,791	4.4	-33.3	109,000	3.2	-21.5
	Overseas	490,030	15.7	+15.2	523,000	15.4	+6.7
	Total	628,821	20.1	-0.7	632,000	18.6	+0.5
Other Electronic Components	Domestic	104,348	3.3	-8.0	110,500	3.3	+5.9
	Overseas	195,493	6.3	+10.0	207,500	6.1	+6.1
	Total	299,841	9.6	+3.0	318,000	9.4	+6.1
Electronic Components	Domestic	291,901	9.3	-19.1	265,000	7.8	-9.2
	Overseas	777,761	24.9	+11.2	835,000	24.6	+7.4
	Total	1,069,662	34.2	+0.9	1,100,000	32.4	+2.8
Total	Domestic	1,526,938	48.8	+9.3	1,650,000	48.5	+8.1
	Overseas	1,600,833	51.2	+14.3	1,750,000	51.5	+9.3
	Total	3,127,771	100.0	+11.8	3,400,000	100.0	+8.7

3.Overseas Sales by Region

(Millions of Yen)

	Year ended March 31, 2007			Forecast for the year ending March 31, 2008		
	Amount	Ratio	Change	Amount	Ratio	Change
		%	%		%	%
The Americas	582,588	36.4	+29.4	670,000	38.3	+15.0
Europe	523,301	32.7	+7.0	550,000	31.4	+5.1
China	305,895	19.1	+14.9	340,000	19.4	+11.1
Other	189,049	11.8	-2.8	190,000	10.9	+0.5
Total	1,600,833	100.0	+14.3	1,750,000	100.0	+9.3

4.Segment Information

[Sales by Product Group include internal sales between segments (Consumer/Information Products and Electronic Components).]

〈Net Sales〉

(Millions of Yen)

	Year ended March 31, 2007			Forecast for the year ending March 31, 2008		
	Amount	Ratio	Change	Amount	Ratio	Change
		%	%		%	%
Audio-Visual and Communication Equipment	1,381,506	44.2	+26.6	1,610,000	47.3	+16.5
Home Appliances	239,113	7.6	+6.4	240,000	7.1	+0.4
Information Equipment	446,921	14.3	+4.7	459,000	13.5	+2.7
Consumer / Information Products	2,067,540	66.1	+18.6	2,309,000	67.9	+11.7
LSIs*	190,721	6.1	+0.2	200,000	5.9	+4.9
LCDs	1,042,324	33.3	+21.6	1,200,000	35.3	+15.1
Other Electronic Components	328,641	10.5	+6.0	348,000	10.2	+5.9
Electronic Components	1,561,686	49.9	+15.0	1,748,000	51.4	+11.9
Sub Total	3,629,226	116.0	+17.0	4,057,000	119.3	+11.8
Elimination	-501,455	-16.0	−	-657,000	-19.3	−
Total	3,127,771	100.0	+11.8	3,400,000	100.0	+8.7

* The LSI group's sales do not include internal sales to the LCD / Other Electronic Component group
(LSIs for LCDs, etc : 30,781 million yen for FY2006, 41,000 million yen for forecast FY2007）.

〈Operating Income〉

(Millions of Yen)

	Year ended March 31, 2007			Forecast for the year ending March 31, 2008		
	Amount	Ratio	Change	Amount	Ratio	Change
		%	%		%	%
Audio-Visual and Communication Equipment	44,411	23.8	+24.1	52,000	27.4	+17.1
Home Appliances	1,892	1.0	-12.2	2,000	1.0	+5.7
Information Equipment	35,402	19.0	+45.3	35,500	18.7	+0.3
Consumer / Information Products	81,705	43.8	+31.1	89,500	47.1	+9.5
LSIs	6,441	3.5	-18.3	3,000	1.6	-53.4
LCDs	78,127	41.9	+14.6	78,500	41.3	+0.5
Other Electronic Components	20,951	11.2	-19.0	21,000	11.0	+0.2
Electronic Components	105,519	56.6	+3.5	102,500	53.9	-2.9
Sub Total	187,224	100.4	+14.0	192,000	101.0	+2.6
Elimination	-693	-0.4	−	-2,000	-1.0	−
Total	186,531	100.0	+13.9	190,000	100.0	+1.9

5.Overseas Production

(Millions of Yen)

	Year ended March 31, 2007		
	Amount	Ratio to Net Sales	Change
		%	%
Overseas Production	1,620,385	51.8	+29.0

6.Capital Investment

(Millions of Yen)

	Year ended March 31, 2007		Forecast for the year ending March 31, 2008	
	Amount	Change	Amount	Change
		%		%
Capital Investment*	284,190	+29.8	295,000	+3.8
* For LCDs (Nonconsolidated)	204,502	+38.1	197,000	-3.7

7.Depreciation and Amortization

(Millions of Yen)

	Year ended March 31, 2007			Forecast for the year ending March 31, 2008		
	Amount	Ratio to Net Sales	Change	Amount	Ratio to Net Sales	Change
		%	%		%	%
Depreciation and Amortization*	217,715	7.0	+12.7	290,000	8.5	+33.2

* Forecast for the year ending March 31, 2008 includes increase of 20,000 million yen resulting from fiscal 2007 tax reform in Japan.

8.R&D Expenditures

(Millions of Yen)

	Year ended March 31, 2007			Forecast for the year ending March 31, 2008		
	Amount	Ratio to Net Sales	Change	Amount	Ratio to Net Sales	Change
		%	%		%	%
R&D Expenditures	189,852	6.1	+2.5	203,000	6.0	+6.9

9.Number of Employees

	As of March 31, 2006	As of March 31, 2007
Number of Employees*	46,872	48,927
(Domestic)	29,484	29,798
(Overseas)	17,388	19,129

* Sharp Corporation and Consolidated Subsidiaries

10.Exchange Rate

(Yen)

	Year ended March 31, 2007	Forecast for the year ending March 31, 2008
US$	116.03	115.00
EURO	148.59	150.00

11.Sales of Main Products

(Billions of Yen)

	Year ended March 31, 2007		Forecast for the year ending March 31, 2008	
	Amount	Change	Amount	Change
		%		%
LCD Color TV(Over 10 inches)	613.5	+49.4	850.0	+38.5
Projectors	25.5	-0.9	22.0	-13.8
Color TV	54.3	-16.3	45.0	-17.2
DVD Players / Recorders	45.0	+8.2	60.0	+33.1
Mobile Phones / Wireless PDA	607.3	+29.2	613.0	+0.9
Facsimiles	34.5	-3.1	34.0	-1.7
Refrigerators	57.6	+17.2	62.0	+7.5
Air Conditioners	48.8	+1.7	58.0	+18.7
Microwave Ovens	60.0	+5.8	50.0	-16.7
Personal Computers	20.2	-40.8	17.0	-15.9
Copiers / Printers	137.4	+8.4	140.0	+1.9

12.Sales of Main Electronic Components

(Billions of Yen)

	Year ended March 31, 2007		Forecast for the year ending March 31, 2008	
	Amount	Change	Amount	Change
		%		%
LCDs	1,042.3	+21.6	1,200.0	+15.1
Flash Memory	47.2	-15.4	39.0	-17.5
CCD/CMOS Imager	97.6	+17.7	110.0	+12.6
Solar Cells	151.4	-4.2	160.0	+5.7