

Consolidated Financial Results for the Second Quarter Ended September 30, 2009

October 29, 2009

SHARP CORPORATION

Stock exchange listings: Tokyo, Osaka, Nagoya, Sapporo, Fukuoka
 Code number: 6753
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 Scheduled dividend payment date: December 1, 2009

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

1. Results for the Six Months Ended September 30, 2009

(1) Financial Results

(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
Six Months Ended September 30, 2009	1,288,684	-17.5%	1,566	-96.9%
Six Months Ended September 30, 2008	1,562,427	-	50,759	-

	Net Income (Loss)	Percent Change	Net Income (Loss) per Share (Yen)	Fully Diluted Net Income per Share (Yen)
Six Months Ended September 30, 2009	(17,721)	-	(16.10)	-
Six Months Ended September 30, 2008	28,011	-	25.45	23.76

(2) Financial Position

Millions of Yen

	Total Assets	Net Assets	Equity Ratio	Net Assets per Share (Yen)
As of September 30, 2009	2,764,171	1,032,579	37.0%	929.07
As of March 31, 2009	2,688,721	1,048,447	38.6%	944.24

[Reference] Equity: September 30, 2009 ; 1,022,389 million yen
 March 31, 2009 ; 1,039,114 million yen

2. Dividends

Yen

	Dividends per Share				
	1st Quarter	2nd Quarter	3rd Quarter	Year-End	Annual
Year Ended March 31, 2009	-	14.00	-	7.00	21.00
Year Ending March 31, 2010	-	7.00			
Year Ending March 31, 2010 (Forecast)			-	-	-

Note: Revisions to forecast of dividends in this quarter; Yes
 Forecast of dividends has yet to be determined.

3. Forecast of Financial Results for the Year Ending March 31, 2010

(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, 2010	2,750,000	-3.4%	50,000	-	3,000	-	2.73

Note: Revisions to forecast of financial results in this quarter; None

4. Other Information

(1) Changes in significant consolidated subsidiaries

(Changes in specified subsidiaries involving changes in scope of consolidation)

None

(2) Simplified accounting methods and adoption of special accounting methods for preparation of quarterly financial statements

Yes

Note: For detailed information, please refer to “4. Other Information” of [Qualitative Information and Financial Statements] on page 5.

(3) Changes in accounting principles, procedures and presentation methods for preparation of quarterly financial statements

1. Changes arising from revision of accounting standards: Yes

2. Changes arising from other factors: None

Note: For detailed information, please refer to “4. Other Information” of [Qualitative Information and Financial Statements] on page 5.

(4) Number of shares outstanding (ordinary shares)

- | | |
|--|----------------------|
| 1. Number of shares outstanding (including treasury stock) as of September 30, 2009 ; | 1,110,699,887 shares |
| as of March 31, 2009 ; | 1,110,699,887 shares |
| 2. Number of shares of treasury stock as of September 30, 2009 ; | 10,252,526 shares |
| as of March 31, 2009 ; | 10,219,774 shares |
| 3. Average number of shares outstanding during the six months ended September 30, 2009 ; | 1,100,460,683 shares |
| during the six months ended September 30, 2008 ; | 1,100,500,947 shares |

Notes:

1. For the assumptions and other related matters concerning financial results forecast, please refer to “3. Qualitative Information Regarding Forecast of Consolidated Financial Results” of [Qualitative Information and Financial Statements] on page 4.
2. Forecast of dividends for the year ending March 31, 2010 has yet to be determined, as we need further analysis on our future results and financial situation. We will make disclosure immediately after the forecast is determined.
3. Published figures have not been subjected to an accounting audit by an auditing firm.
4. The accompanying consolidated financial statements are a translation of the consolidated financial statements of the Sharp Group, 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.

[Qualitative Information and Financial Statements]

1. Qualitative Information Regarding Consolidated Financial Results

During the six months ended September 30, 2009, the Japanese economy has seen a recovery in some areas, including private consumption, supported by government stimulus packages. However, the economy as a whole remained in a difficult situation, with worsening employment conditions, which reflect a decline in corporate profits and business investment. Overseas, the Chinese economy was on the track of recovery, backed by government stimulus packages, while slowdown due to the financial crisis continued in the U.S. and Europe.

Under these circumstances, the Sharp Group steadily implemented a recovery plan, which includes company-wide cost reductions and other measures. In addition, we took steps to make distinctive products with energy-saving and energy-creating features and to expand solar cell and LED business, amid increasing awareness of environmental preservation.

In the Consumer/Information Products business, we made efforts to expand sales of LCD color TVs with superior picture and environmental performance, amid the Japanese government's introduction of a subsidy program, which awards "eco-points" for the purchase of environmentally-friendly consumer electronics. Other efforts included introduction of demand-creating products, including mobile phones equipped with our proprietary devices, such as solar panels and high-definition CCD cameras. We also expanded the line-up of products featuring Plasmacluster Ion technology and entered the household-use lighting business with LED lamps, in response to the growing awareness of health and the environment.

In the Electronic Components business, to cope with soaring demand for large-size LCD panels for TVs, we boosted capacity at the Kameyama No. 2 Plant in August and made preparations for the start of operations at a new LCD panel plant in Sakai City, Osaka Prefecture in October. We also actively promoted alliances with major companies in Japan and overseas. Specifically, we have entered into an agreement with Sony Corporation to establish a joint venture company to produce and sell large-size LCD panels and modules, and have signed an agreement to carry out the project for production of LCD panels using 6th generation glass substrates and construction of a LCD panel plant in Nanjing City, China.

Consolidated financial results for the six months recorded net sales of 1,288.6 billion yen, down 17.5% from the same period last year. We were able to return to profitability at the operating level, with operating income of 1.5 billion yen, despite posting an operating loss in the first quarter due to a recession caused by the financial crisis. This was due mainly to a steady increase in sales and reduction in total costs, which led to a sharp improvement in profits beginning in June. Net loss decreased significantly from the first quarter to 17.7 billion yen. Restructuring charges were 14.6 billion yen.

We will distribute an interim dividend of 7 yen per share, the same level as the year-end dividend last year.

Operating results by product group are as follows:

Consumer/Information Products

Sales of Audio-Visual and Communication Equipment were 629.9 billion yen, down 11.5% from the same period last year. Though sales of Blu-ray Disc recorders were strong, sales declined for LCD TVs.

Sales of Health and Environmental Equipment were 118.0 billion yen, down 2.4%. Sales of air conditioners and microwave ovens decreased, which more than offset an increase in sales of air purifiers featuring Plasmacluster Ion technology and Plasmacluster Ion generators.

Sales of Information Equipment were 130.0 billion yen, down 19.2%. Sales declined for copiers/printers.

Electronic Components

Sales of LCDs were 228.0 billion yen, down 33.6% from the same period last year. Despite a recovery in demand, sales were affected by sharp price declines in large-size LCDs for TVs and a sluggish market for small- and medium-size LCDs.

Sales of Solar Cells were 86.2 billion yen, down 7.3%. Overseas sales declined, which more than offset a significant growth in domestic sales, supported by subsidies for installation of residential photovoltaic power generation systems.

Sales of Other Electronic Devices were 96.4 billion yen, down 27.2%. Sales of CCD/CMOS imagers decreased.

2. Qualitative Information Regarding Consolidated Financial Position

Total assets as of September 30, 2009 were 2,764.1 billion yen, up 75.4 billion yen from March 31, 2009. This was due mainly to an increase of assets resulting from investment in LCDs. Total liabilities were 1,731.5 billion yen, up 91.3 billion yen. This was due mainly to an increase in notes and accounts payable. Total net assets were 1,032.5 billion yen, down 15.8 billion yen. This was due mainly to a decrease in retained earnings, while valuation and translation adjustments increased.

Regarding cash flows, net cash provided by operating activities was 160.9 billion yen, while net cash used in investing activities was 116.9 billion yen. Net cash used in financing activities was 35.7 billion yen. As a result, cash and cash equivalents at the end of the period were 320.2 billion yen, an increase of 2.9 billion yen from March 31, 2009.

3. Qualitative Information Regarding Forecast of Consolidated Financial Results

As for the future outlook, we expect the business environment to remain unpredictable. The global economy is still subject to financial crisis and a risk of a further slowdown.

Amid these circumstances, the Sharp Group will further strengthen the creation of proprietary devices and uniquely-featured products, while at the same time striving to enhance corporate value and improve profitability through further cost reductions. We will also change our business structure to be an Eco-Positive Company*¹ that contributes to realizing a low-carbon society, with environmentally-friendly plants, and energy-creating and energy-saving technology.

In the Consumer/Information Products business, we will work to expand sales of LCD TVs that incorporate a newly-developed next-generation LCD panel and an LED backlight system, to achieve better picture quality and lower power consumption. We also aim to cultivate new markets by distinguishing ourselves from competitors, through the expansion of cutting-edge mobile phones incorporating our proprietary devices and of products featuring Plasmacluster Ion technology, and through the introduction of advanced and high-value-added products including LED lights.

In the Electronic Components business, with the start of operations at a new LCD panel plant (Sharp Display Products Corporation) this October, we will establish an optimum production framework together with the Kameyama No. 2 Plant. This new plant is the first in the world to use 10th generation glass substrates to produce proprietary large-size LCD panels featuring high contrast ratio and energy-saving performance, and is located in Sharp Green Front Sakai*², our state-of-the-art manufacturing complex. For solar cells, we will proceed with preparations to start operation of a cutting-edge new plant for thin-film solar cells in Sharp Green Front Sakai by March 2010.

The following is the current forecast of financial results for the year ending March 31, 2010. There are no revisions to the forecast announced on April 27, 2009.

Net sales	2,750.0 billion yen	- 3.4 % over the previous fiscal year
Operating income	50.0 billion yen	-
Net income	3.0 billion yen	-

The above figures are based on an exchange rate of ¥90=US\$1.00 for the second half.

Forecast of an annual dividend for the year ending March 31, 2010 has yet to be determined, as we need further analysis on our future results and financial situation.

Notes: 1. Eco-Positive Company is a company that supplies energy-creating and energy-saving products whose usage reduces significantly more greenhouse gas emissions than its worldwide business activities produce. "Eco-Positive" does not mean that a company has no negative impact on the environment. Rather, "Eco-Positive Company" is a phrase Sharp uses to indicate the ideal state of a company in terms of environmentalism; it is the state Sharp aims to achieve.

2. Sharp Green Front Sakai is a name used in Japan.

3. The above estimates of financial results are based on certain assumptions that the Sharp Group deemed reasonable at the time they were prepared, and actual operating 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)
- The Sharp Group'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
- Litigation and other legal proceedings against the Sharp Group, etc.

4. Other Information

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

None

(2) Simplified accounting methods and adoption of special accounting methods for preparation of quarterly financial statements

1. Simplified accounting methods

• Cost variance apportionment methods

When cost variances occur due to the adoption of predetermined costs, said cost variances are apportioned to inventories and cost of sales in a simplified manner compared to preparation of annual financial statements.

• Noncurrent asset depreciation calculation methods

When the declining-balance method is adopted as the method of calculating depreciation, depreciation for the fiscal years is computed by dividing the amount proportionately over the period.

• Income tax calculation methods

When computing the amount to be paid as income taxes, taxable addition and subtraction items and/or tax credits to be included are limited to important items.

2. Adoption of special accounting methods for preparation of quarterly financial statements

None

(3) Changes in accounting principles, procedures and presentation methods for preparation of quarterly financial statements

Previously, revenues and costs of construction contracts had been recognized under the completed-contract method. Starting from the three months ended June 30, 2009, however, the Company and its domestic consolidated subsidiaries have applied the “Accounting Standard for Construction Contracts” (Accounting Standards Board of Japan (ASBJ) Statement No. 15, issued by the ASBJ on December 27, 2007) and the “Guidance on Accounting Standard for Construction Contracts” (ASBJ Guidance No. 18, issued by the ASBJ on December 27, 2007). Accordingly, with regard to construction contracts commenced on and after April 1, 2009, the percentage-of-completion method has been applied if the outcome of the construction activity is deemed certain on September 30, 2009, otherwise the complete-contract method has been applied. Under the percentage-of-completion method, the percentage of completion is estimated based on the percentage of the cost incurred to the estimated total cost.

This change had an immaterial impact on financial statements.

Going Concern Assumption

None

Significant Changes in Owners' Equity

None

SHARP CORPORATION
CONSOLIDATED BALANCE SHEETS

Millions of Yen

	As of March 31, 2009	As of September 30, 2009
ASSETS		
Current Assets:		
Cash, time deposits, and short-term investments	336,937	339,826
Notes and accounts receivable, less allowance for doubtful receivables	430,064	455,757
Inventories	399,985	395,606
Other current assets	134,976	111,921
Total current assets	1,301,962	1,303,110
Plant and Equipment, Less Accumulated Depreciation	1,032,075	1,085,484
Investments and Other Assets	351,160	370,647
Deferred Assets	3,524	4,930
Total assets	2,688,721	2,764,171
LIABILITIES		
Current Liabilities:		
Short-term borrowings, including current portion of long-term debt	405,773	298,921
Notes and accounts payable	552,485	655,124
Other current liabilities	231,711	229,998
Total current liabilities	1,189,969	1,184,043
Long-term Liabilities	450,305	547,549
Total liabilities	1,640,274	1,731,592
NET ASSETS		
Owners' Equity:		
Common stock	204,676	204,676
Capital surplus	268,538	268,535
Retained earnings	664,924	636,429
Less cost of treasury stock	(13,740)	(13,770)
Total owners' equity	1,124,398	1,095,870
Valuation and Translation Adjustments:		
Net unrealized holding gains (losses) on securities	(1,946)	6,828
Deferred gains (losses) on hedges	(9,142)	(2,199)
Foreign currency translation adjustments	(74,196)	(78,110)
Total valuation and translation adjustments	(85,284)	(73,481)
Minority Interests	9,333	10,190
Total net assets	1,048,447	1,032,579
Total liabilities and net assets	2,688,721	2,764,171

SHARP CORPORATION
CONSOLIDATED STATEMENTS OF INCOME

Millions of Yen

	Six Months Ended September 30, 2008	Six Months Ended September 30, 2009
Net Sales	1,562,427	1,288,684
Cost of Sales	1,240,314	1,050,803
Gross profit	322,113	237,881
Selling, General and Administrative Expenses	271,354	236,315
Operating income	50,759	1,566
Other Income (Expenses)		
Interest income	3,067	1,090
Rent income on noncurrent assets	6,121	6,482
Gain on sales of noncurrent assets	180	28
Gain on sales of stocks of subsidiaries and affiliates	18,521	0
Interest expense	(3,529)	(3,199)
Interest on commercial papers	(1,023)	(482)
Foreign exchange losses	(8,871)	(5,826)
Loss on sales and retirement of noncurrent assets	(3,374)	(2,229)
Impairment loss	(988)	0
Loss on valuation of inventories	(7,639)	0
Restructuring charges	-	(14,648)
Other, net	(8,976)	(11,606)
Income (loss) before income taxes and minority interests	(6,511)	(30,390)
Income Taxes	44,248	(28,824)
Current	14,731	7,896
Deferred	1,031	(19,802)
Minority Interests in Income of Consolidated Subsidiaries	(475)	(803)
Net income (loss)	28,011	(17,721)

SHARP CORPORATION
CONSOLIDATED STATEMENTS OF CASH FLOWS

Millions of Yen

	Six Months Ended September 30, 2008	Six Months Ended September 30, 2009
<u>Cash Flows from Operating Activities:</u>		
Income (loss) before income taxes and minority interests	44,248	(28,824)
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	146,098	127,389
Interest and dividend income	(4,376)	(2,210)
Interest expenses and interest on commercial papers	4,552	3,681
Loss on sales and retirement of noncurrent assets	3,374	2,229
Gain on sales of stocks of subsidiaries and affiliates	(18,521)	0
(Increase) decrease in notes and accounts receivable	4,442	(30,381)
Increase in inventories	(67,792)	(7,931)
Increase (decrease) in payables	(16,754)	85,833
Other, net	(4,529)	1,847
Total	90,742	151,633
Interest and dividends received	6,352	2,549
Interest paid	(4,532)	(3,442)
Income taxes (paid) refund	(12,954)	10,169
Net cash provided by operating activities	79,608	160,909
<u>Cash Flows from Investing Activities:</u>		
Purchase of time deposits	(64,502)	(19,566)
Proceeds from redemption of time deposits	64,520	19,652
Proceeds from sales of investments in subsidiaries and affiliates resulting in change of scope of consolidation	28,278	0
Acquisitions of plant and equipment	(130,960)	(102,604)
Proceeds from sales of plant and equipment	630	513
Loans made	(169,568)	(191,779)
Proceeds from collection of loans	169,524	191,895
Other, net	(32,580)	(15,104)
Net cash used in investing activities	(134,658)	(116,993)
<u>Cash Flows from Financing Activities:</u>		
(Decrease) increase in short-term borrowings, net	63,892	(173,221)
Proceeds from long-term debt	22,227	153,500
Repayments of long-term debt	(26,758)	(8,253)
Purchase of treasury stock	(125)	(40)
Dividends paid	(15,403)	(7,702)
Other, net	(198)	(61)
Net cash (used in) provided by financing activities	43,635	(35,777)
Effect of Exchange Rate Changes on Cash and Cash Equivalents	(944)	(5,849)
Net Increase (Decrease) in Cash and Cash Equivalents	(12,359)	2,290
Cash and Cash Equivalents at Beginning of Year	339,266	317,358
Cash and Cash Equivalents of Newly Consolidated Subsidiaries	0	228
Cash and Cash Equivalents Increased by Merger	107	69
Increase in Cash and Cash Equivalents Resulting from Change of Accounting Period of Subsidiaries	-	339
Cash and Cash Equivalents at End of Period	327,014	320,284

SHARP CORPORATION
SEGMENT INFORMATION

Millions of Yen

	Six Months Ended September 30, 2008	Six Months Ended September 30, 2009
Net Sales		
Consumer/Information Products		
Customers	993,297	877,971
Intersegment	3,958	7,942
Total	997,255	885,913
Electronic Components		
Customers	569,130	410,713
Intersegment	342,854	216,500
Total	911,984	627,213
Elimination	(346,812)	(224,442)
Consolidated	1,562,427	1,288,684
Operating Income		
Consumer/Information Products	19,243	4,038
Electronic Components	32,580	183
Elimination	(1,064)	(2,655)
Consolidated	50,759	1,566

Note: Segmentation of business areas is based on commonality in manufacturing and marketing methods of products.

SHARP CORPORATION
CONSOLIDATED SALES BY PRODUCT GROUP

Millions of Yen

	Six Months Ended September 30, 2008		Six Months Ended September 30, 2009		Increase Decrease	Percent Change
	Amount	Ratio	Amount	Ratio		
Audio - Visual and Communication Equipment	711,393	45.6	629,925	48.9	-81,468	-11.5
Health and Environmental Equipment	120,894	7.7	118,030	9.1	-2,864	-2.4
Information Equipment	161,010	10.3	130,016	10.1	-30,994	-19.2
Consumer/Information Products	993,297	63.6	877,971	68.1	-115,326	-11.6
LCDs	343,528	22.0	228,016	17.7	-115,512	-33.6
Solar Cells	93,099	5.9	86,261	6.7	-6,838	-7.3
Other Electronic Devices	132,503	8.5	96,436	7.5	-36,067	-27.2
Electronic Components	569,130	36.4	410,713	31.9	-158,417	-27.8
Total	1,562,427	100.0	1,288,684	100.0	-273,743	-17.5
Domestic	678,833	43.4	662,708	51.4	-16,125	-2.4
Overseas	883,594	56.6	625,976	48.6	-257,618	-29.2

Notes:

1. The above figures indicate sales to outside customers.
2. Starting from the three months ended June 30, 2009, some items previously included in Information Equipment have been reclassified and are included in Audio-Visual and Communication Equipment. Accordingly, results for the six months ended September 30, 2008 have been restated to conform with the current product groupings.