

**SHARP**

# **Consolidated Financial Results for the Year Ended March 31, 2013**

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**I . Financial Results for Fiscal 2012**

**II . Financing Activities**

**III . Financial Results Forecast for Fiscal 2013**

**Supplementary Data – Sales of Main Products, etc.**

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**SHARP CORPORATION**

**May 14, 2013**

#### **Forward-Looking Statements**

This presentation material contains certain statements describing the future plans, strategies and performance of Sharp Corporation and its consolidated subsidiaries (hereinafter "Sharp"). These statements are not based on historical or present fact, but rather assumptions and estimates based on information currently available. These future plans, strategies and performances are subject to known and unknown risks, uncertainties and other factors. Sharp's actual performance, business activities and financial position may differ materially from the assumptions and estimates provided on account of the risks, uncertainties and other factors. Sharp is under no obligation to update these forward-looking statements in light of new information, future events or any other factors. The risks, uncertainties and other factors that could affect actual results include, but are not limited to:

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

\*Amounts less than 100 million yen shown in this presentation material have been rounded down.

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## **I . Financial Results for Fiscal 2012**

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Thank you all for attending our press meeting regarding our financial results announcement.

I will explain the details of financial results for FY2012 with this presentation.

## Financial Results for Fiscal 2012

- Sales in 2H improved approx. 270 billion yen compared to 1H
- Achieved positive results for 2H's operating income. Exceeded the previous forecast of net sales and operating income
- On the other hand, there was a negative impact on net income due to the additional business restructuring

(Billions of yen)

|                     | FY2011             |                    | FY2012           |                    |                    |                       |                    |  |                    | FY2012<br><i>Full Year<br/>Previous<br/>Forecast</i> |
|---------------------|--------------------|--------------------|------------------|--------------------|--------------------|-----------------------|--------------------|--|--------------------|--|
|                     | Full Year          | 1H                 |                  |                    | 2H                 | Difference<br>from 1H | Full Year          | Difference<br>from<br>previous<br>forecast | Change<br>(Y on Y) |  |
|                     |                    |                    | 3Q               | 4Q                 |                    |                       |                    |  |                    |  |
| Net Sales           | 2,455.8            | 1,104.1            | 678.2            | 696.1              | 1,374.4            | +270.2                | 2,478.5            | +18.5                                      | +0.9%              | 2,460.0  |
| Operating<br>Income | -37.5<br>(-1.5%)   | -168.8<br>(-15.3%) | 2.6<br>(0.4%)    | 19.9<br>(2.9%)     | 22.6<br>(1.6%)     | +191.5                | -146.2<br>(-5.9%)  | +8.7                                       | -                  | -155.0   |
| Net Income          | -376.0<br>(-15.3%) | -387.5<br>(-35.1%) | -36.7<br>(-5.4%) | -121.0<br>(-17.4%) | -157.7<br>(-11.5%) | +229.8                | -545.3<br>(-22.0%) | -95.3                                      | -                  | -450.0   |

↓  
Impairment loss / Restructuring charges, etc.

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This slide outlines the consolidated financial results for fiscal 2012 (April 2012 to March 2013).

We recorded consolidated sales of 2,478.5 billion yen, and an operating loss of 146.2 billion yen, both of which are improved from our previous forecast.

Particularly, the sales in 2H was improved by approx. 270 billion yen compared to 1H, which contributed to positive result in 2H's operating income.

On the other hand, we recorded a net loss of 545.3 billion yen, down by 95.3 billion yen from our previous forecast, due mainly to impairment loss and additional costs for business restructuring in corresponding to the change in business environment such as the rapid fall of the yen and demand fluctuations.

The details will be explained later.

## Sales by Product Group

LCDs and Solar Cells contributed to the sales in 2H, exceeding the previous forecast (Billions of Yen)

|  | FY2011    | FY2012  |       |       |         |                       |           |  |                    | FY2012<br>Full Year<br>Previous<br>Forecast |
|--|-----------|---------|-------|-------|---------|-----------------------|-----------|--|--------------------|---|
|  | Full Year | 1H      |       |       |         | Difference<br>from 1H | Full Year | Difference<br>from<br>previous<br>forecast | Change<br>(Y on Y) |   |
|  |           |         | 3Q    | 4Q    | 2H      |                       |           |  |                    |   |
| Audio-Visual and<br>Communication<br>Equipment | 1,061.0   | 338.5   | 202.3 | 191.6 | 394.0   | +55.4                 | 732.6     | -7.3                                       | -31.0%             | 740.0                                       |
| Health and<br>Environmental<br>Equipment       | 292.3     | 154.9   | 74.8  | 79.8  | 154.6   | -0.3                  | 309.6     | -0.3                                       | +5.9%              | 310.0                                       |
| Information<br>Equipment                       | 277.6     | 139.2   | 69.7  | 88.4  | 158.1   | +18.9                 | 297.4     | +7.4                                       | +7.1%              | 290.0                                       |
| Consumer/Information<br>Products               | 1,630.9   | 632.8   | 346.9 | 359.9 | 706.9   | +74.1                 | 1,339.7   | -0.2                                       | -17.9%             | 1,340.0                                     |
| LCDs   | 720.9     | 367.9   | 258.2 | 220.4 | 478.7   | +110.7                | 846.7     | +16.7                                      | +17.4%             | 830.0                                       |
| Solar Cells                                    | 223.9     | 93.0    | 55.9  | 110.8 | 166.8   | +73.7                 | 259.9     | +14.9                                      | +16.1%             | 245.0                                       |
| Other Electronic<br>Devices                    | 238.1     | 125.9   | 81.4  | 62.0  | 143.4   | +17.5                 | 269.4     | -5.5                                       | +13.2%             | 275.0                                       |
| Electronic Components                          | 1,183.0   | 587.0   | 395.6 | 393.4 | 789.0   | +202.0                | 1,376.1   | +26.1                                      | +16.3%             | 1,350.0                                     |
| Sub Total                                      | 2,814.0   | 1,219.8 | 742.6 | 753.3 | 1,495.9 | +276.1                | 2,715.8   | +25.8                                      | -3.5%              | 2,690.0                                     |
| Adjustments                                    | -358.1    | -115.7  | -64.3 | -57.2 | -121.5  | -5.8                  | -237.2    | -7.2                                       | -                  | -230.0                                      |
| Total  | 2,455.8   | 1,104.1 | 678.2 | 696.1 | 1,374.4 | +270.2                | 2,478.5   | +18.5                                      | +0.9%              | 2,460.0                                     |

Sales of each product group include internal sales between segments (Consumer/Information Products and Electronic Components)

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This slides show FY2012 sales by product group.

Considerable improvement of Electronic Components such as LCDs and Solar Cells compared to 1H, contributed to increasing sales in 2H, exceeding our previous forecast.

## Operating Income by Product Group

*In 2H, all the product groups excluding LCDs achieved positive results in operating income* (Billions of Yen)

|  | FY2011    | FY2012 |       |       |       |                    |           |                                   |                 | FY2012                      |
|--|-----------|--------|-------|-------|-------|--------------------|-----------|-----------------------------------|-----------------|-----------------------------|
|  | Full Year | 1H     |       |       |       | Difference from 1H | Full Year | Difference from previous forecast | Change (Y on Y) | Full Year Previous Forecast |
|  |           |        | 3Q    | 4Q    | 2H    |                    |           |                                   |                 |                             |
| Audio-Visual and Communication Equipment | -6.1      | -21.1  | 5.3   | 6.0   | 11.3  | +32.5              | -9.8      | -1.8                              | -               | -8.0                        |
| Health and Environmental Equipment       | 29.4      | 17.3   | 7.4   | 7.3   | 14.8  | -2.4               | 32.2      | -0.7                              | +9.3%           | 33.0                        |
| Information Equipment                    | 27.7      | 6.9    | 6.3   | 11.0  | 17.3  | +10.4              | 24.3      | +3.3                              | -12.3%          | 21.0                        |
| Consumer/Information Products            | 51.0      | 3.1    | 19.1  | 24.4  | 43.5  | +40.4              | 46.6      | +0.6                              | -8.5%           | 46.0                        |
| LCDs                                     | -42.2     | -115.5 | -11.7 | -11.6 | -23.4 | +92.1              | -138.9    | +5.0                              | -               | -144.0                      |
| Solar Cells                              | -21.9     | -12.3  | -1.9  | 9.7   | 7.8   | +20.1              | -4.4      | +6.5                              | -               | -11.0                       |
| Other Electronic Devices                 | 9.5       | -23.7  | 3.1   | 5.0   | 8.2   | +31.9              | -15.5     | +1.4                              | -               | -17.0                       |
| Electronic Components                    | -54.6     | -151.6 | -10.4 | 3.1   | -7.3  | +144.2             | -159.0    | +12.9                             | -               | -172.0                      |
| Sub Total                                | -3.6      | -148.5 | 8.6   | 27.5  | 36.1  | +184.7             | -112.3    | +13.6                             | -               | -126.0                      |
| Adjustments                              | -33.8     | -20.3  | -5.9  | -7.5  | -13.5 | +6.8               | -33.9     | -4.9                              | -               | -29.0                       |
| Total                                    | -37.5     | -168.8 | 2.6   | 19.9  | 22.6  | +191.5             | -146.2    | +8.7                              | -               | -155.0                      |

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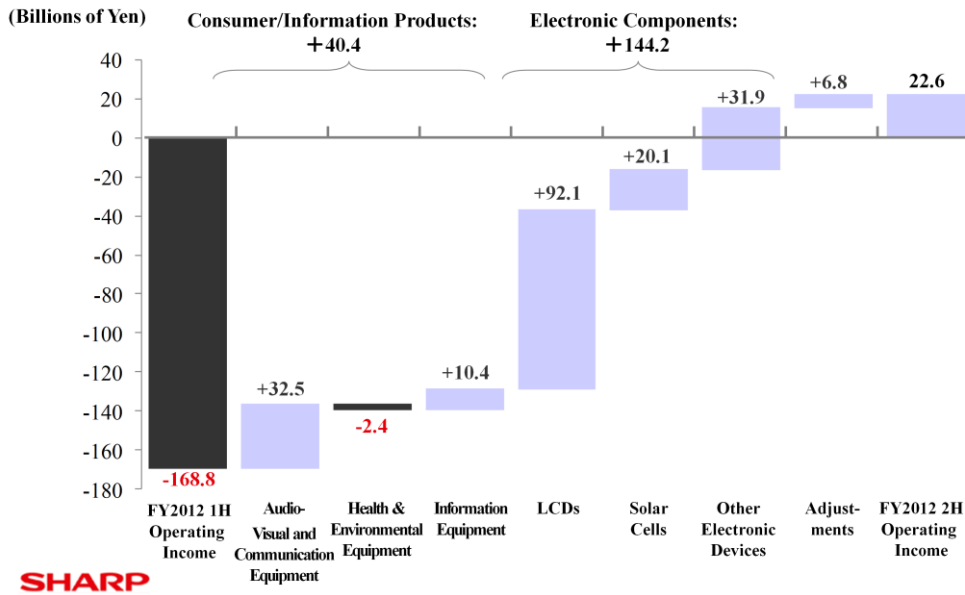
This slide shows FY2012 operating income by product group.

Almost all the product groups see progress in recovering profits in 2H.

All the product groups excluding LCDs achieved positive results in operating income for 2H.

## Breakdown of FY2012 Operating Income by Product Group (comparison of 1H and 2H)

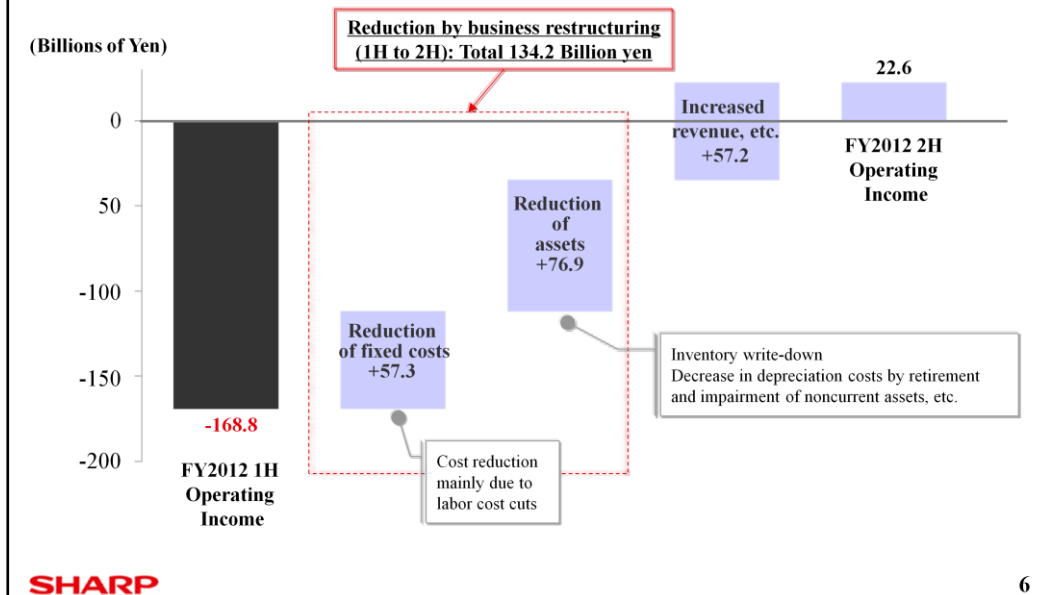
*The improvement in LCDs and Other Electronic Devices by restructuring in 1H has made a significant contribution to all-Sharp operating income*



This slide graphically illustrates a breakdown of operating income by product group from 1H to 2H, as is shown in the previous slide.

## Breakdown of FY2012 Operating Income by Factors (comparison of 1H and 2H)

*Reduction in fixed costs and assets contributed to the positive result in operating income of 2H*



This slide shows a breakdown of operating income by factors for FY2012.

Business restructuring efforts such as reduction of fixed costs (mainly labor cost), write-down of inventory and decreasing depreciation cost by retirement and impairment of noncurrent assets in 2Q, contributed largely to improving profitability for positive operating income.



## Extraordinary Items in Other Expenses / Income Taxes, etc

*Recorded impairment loss and additional restructuring charges in corresponding to changes in the business environment such as the rapid fall of the yen and demand fluctuations in small- and medium-size LCDs*

(Billions of Yen)

|                                 | FY2011        | FY2012        |              |               |               |               | Difference from previous forecast | FY2012                      |
|---------------------------------|---------------|---------------|--------------|---------------|---------------|---------------|-----------------------------------|-----------------------------|
|                                 | Full Year     | 1H            | FY2012       |               |               | Full Year     |                                   | Full Year Previous Forecast |
|                                 |               |               | 3Q           | 4Q            | 2H            |               |                                   |                             |
| <b>Operating Income</b>         | <b>-37.5</b>  | <b>-168.8</b> | <b>2.6</b>   | <b>19.9</b>   | <b>22.6</b>   | <b>-146.2</b> | +8.7                              | <b>-155.0</b>               |
| <b>Other Income(Expenses)</b>   | <b>-200.8</b> | <b>-153.9</b> | <b>-34.9</b> | <b>-131.0</b> | <b>-165.9</b> | <b>-319.9</b> |                                   |                             |
| Impairment loss                 | -6.6          | 0.0           | 0.0          | -47.3         | -47.3         | -47.3         |                                   |                             |
| Restructuring charges           | -117.1        | -98.6         | -27.3        | -17.3         | -44.7         | -143.3        |                                   |                             |
| Settlement package, etc.        | -18.8         | -15.8         | -2.0         | -32.3         | -34.3         | -50.2         |                                   |                             |
| Others                          | -58.2         | -39.4         | -5.5         | -33.9         | -39.4         | -78.9         |                                   |                             |
| <b>Income Taxes, etc.</b>       | <b>-137.6</b> | <b>-64.7</b>  | <b>-4.5</b>  | <b>-9.9</b>   | <b>-14.4</b>  | <b>-79.1</b>  |                                   |                             |
| Reversal of deferred tax assets | -115.9        | -61.0         | 0.0          | -4.5          | -4.5          | -65.5         |                                   |                             |
| Others                          | -21.7         | -3.6          | -4.5         | -5.4          | -9.9          | -13.6         |                                   |                             |
| <b>Total</b>                    | <b>-338.5</b> | <b>-218.6</b> | <b>-39.4</b> | <b>-140.9</b> | <b>-180.3</b> | <b>-399.0</b> | -104.0                            | <b>-295.0</b>               |
| <b>Net Income</b>               | <b>-376.0</b> | <b>-387.5</b> | <b>-36.7</b> | <b>-121.0</b> | <b>-157.7</b> | <b>-545.3</b> | -95.3                             | <b>-450.0</b>               |

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This slide shows extraordinary items in other expenses / income taxes, etc.

We recorded additional expenses for impairment loss, restructuring charges, settlement package, etc. in 4Q.

## Extraordinary Items in Other Expenses in 4Q FY2012

### *Almost completed financial procedures of business restructuring*

|                            |                  |  |
|----------------------------|------------------|--|
| • Impairment Loss          | 47.3 Billion Yen | Impairment of manufacturing equipment in audio-visual / LCD businesses         |
| • Restructuring Charges    | 17.3 Billion Yen | Loss caused by cancellation of lease contracts in solar cells businesses, etc. |
| • Settlement Package, etc. | 32.3 Billion Yen | Provision for loss on litigation   |
| <hr/>                      |                  |  |
| Main Extraordinary Items   | 97.0 Billion Yen |  |

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This slide shows an overview of extraordinary items in other expenses in 4Q FY2012.

We impaired noncurrent assets in audio-visual / LCD business and recorded additional restructuring charges such as for cancellation of lease contract in solar cells business. These were done in 4Q FY2012 in corresponding to changes in the business environment such as the rapid fall of the yen and demand fluctuations of small- and medium-size LCDs.

Also, we recorded an additional settlement package for FY2012, which is anticipated to accrue as loss from LCD-related antitrust lawsuits in FY2013.

We believe that the financial procedures for business restructuring are almost completed.

## Consolidated Balance Sheets

*Equity ratio has decreased to 6.0%*

(Billions of Yen)

|  | FY2011           |                  | FY2012           |                  |
|--|------------------|------------------|------------------|------------------|
|  | End of Mar. 2012 | End of Sep. 2012 | End of Dec. 2012 | End of Mar. 2013 |
| Cash, time deposits and short-term investments | 195.3            | 221.1            | 164.0            | 191.9            |
| Notes and accounts receivable                  | 375.4            | 410.5            | 414.2            | 424.2            |
| Inventories                                    | 527.4            | 325.7            | 339.9            | 310.7            |
| Other current assets                           | 322.9            | 301.6            | 336.8            | 294.9            |
| <b>Current Assets</b>                          | <b>1,421.1</b>   | <b>1,259.0</b>   | <b>1,255.1</b>   | <b>1,221.8</b>   |
| Plant and Equipment                            | 872.4            | 636.6            | 600.3            | 563.6            |
| Investments and Other Assets                   | 318.4            | 323.7            | 314.8            | 301.6            |
| <b>Total assets</b>                            | <b>2,614.1</b>   | <b>2,220.4</b>   | <b>2,171.2</b>   | <b>2,087.7</b>   |

|   | FY2011           |                  | FY2012           |                  |
|---|------------------|------------------|------------------|------------------|
|   | End of Mar. 2012 | End of Sep. 2012 | End of Dec. 2012 | End of Mar. 2013 |
| Commercial paper                        | 351.0            | 167.5            | 8.0              | 0.0              |
| Short-term borrowings                   | 597.9            | 898.0            | 899.8            | 924.1            |
| Notes and accounts payable              | 436.5            | 422.2            | 460.0            | 405.6            |
| Other current liabilities               | 356.5            | 333.9            | 283.5            | 337.7            |
| <b>Current Liabilities</b>              | <b>1,391.0</b>   | <b>1,654.2</b>   | <b>1,643.4</b>   | <b>1,667.5</b>   |
| <b>Long-term Liabilities</b>            | <b>577.9</b>     | <b>338.3</b>     | <b>309.6</b>     | <b>285.3</b>     |
| <b>Liabilities</b>                      | <b>1,969.0</b>   | <b>1,992.5</b>   | <b>1,953.1</b>   | <b>1,952.9</b>   |
| <b>Net Assets</b>                       | <b>645.1</b>     | <b>227.9</b>     | <b>218.1</b>     | <b>134.8</b>     |
| <b>Total liabilities and net assets</b> | <b>2,614.1</b>   | <b>2,220.4</b>   | <b>2,171.2</b>   | <b>2,087.7</b>   |
| <b>Equity Ratio</b>                     | <b>23.9%</b>     | <b>9.9%</b>      | <b>9.6%</b>      | <b>6.0%</b>      |

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This slide shows consolidated balance sheets.

Consequently, the equity ratio has decreased to 6.0% at the end of March 2013, down from 9.6% at the end of December 2012.

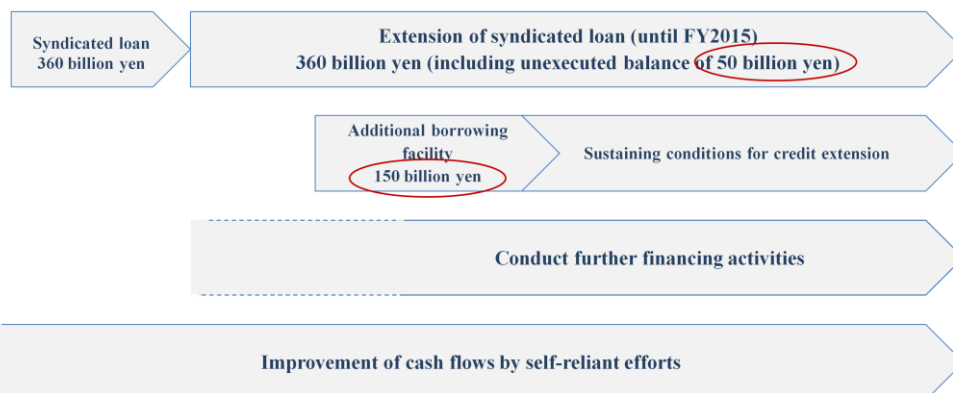
## **II . Financing Activities**

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The next slide is to explain about our financing activities as part of main issues.

## Financing Activities

|                          | June<br>2013                                    | September<br>2013  | March<br>2014                                       | September<br>2014                                    |
|--------------------------|---|--|---|--|
| <b>Needs for Finance</b> | Deadline of syndicated loan:<br>360 billion yen | Convertible bonds due for redemption:<br>200 billion yen | Straight bond due for redemption:<br>30 billion yen | Straight bond due for redemption:<br>100 billion yen |



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For FY2013, the deadline of the 360 billion yen syndicated loan is scheduled in June, and then in September, the redemption of 200 billion yen convertible bonds is scheduled.

As for the syndicated loan of 360 billion yen, we have obtained an informal consent of our main banks, Mizuho Corporate Bank, Ltd. and The Bank of Tokyo-Mitsubishi UFJ, Ltd. about the extension, and are also discussing with other participating banks about the extension.

In addition, we have obtained another informal consent of our 2 main banks in receiving an additional 150 billion yen borrowing facility, in order to prepare for the redemption of the convertible bonds mentioned above. Thus, we are receiving continuous supports from our main banks.

Accordingly, we believe that our financial issues for redemption of convertible bonds mentioned above are now cleared with these measures.

We will continue to work on financial arrangements from various aspects, in addition to improving our cash flow by securing operating income.

### **III. Financial Results Forecast for Fiscal 2013**

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The following slides show our financial results forecast for FY2013.

## Financial Results Forecast for Fiscal 2013

*Aim to achieve positive results for net income of FY2013*

(Billions of Yen)

|                  | FY2012<br>Full Year | FY2013         |                    |                |                    |                         |                    |
|------------------|---------------------|----------------|--------------------|----------------|--------------------|-------------------------|--------------------|
|                  |                     | 1H<br>Forecast | Change<br>(Y on Y) | 2H<br>Forecast | Change<br>(Y on Y) | Full Year<br>(Forecast) | Change<br>(Y on Y) |
| Net Sales        | 2,478.5             | 1,270.0        | +15.0%             | 1,430.0        | +4.0%              | 2,700.0                 | +8.9%              |
| Domestic         | 1,007.2             | 500.0          | +9.7%              | 520.0          | -5.7%              | 1,020.0                 | +1.3%              |
| Overseas         | 1,471.3             | 770.0          | +18.7%             | 910.0          | +10.6%             | 1,680.0                 | +14.2%             |
| Operating Income | -146.2              | 15.0           | -                  | 65.0           | +187.2%            | 80.0                    | -                  |
| Net Income       | -545.3              | -20.0          | -                  | 25.0           | -                  | 5.0                     | -                  |

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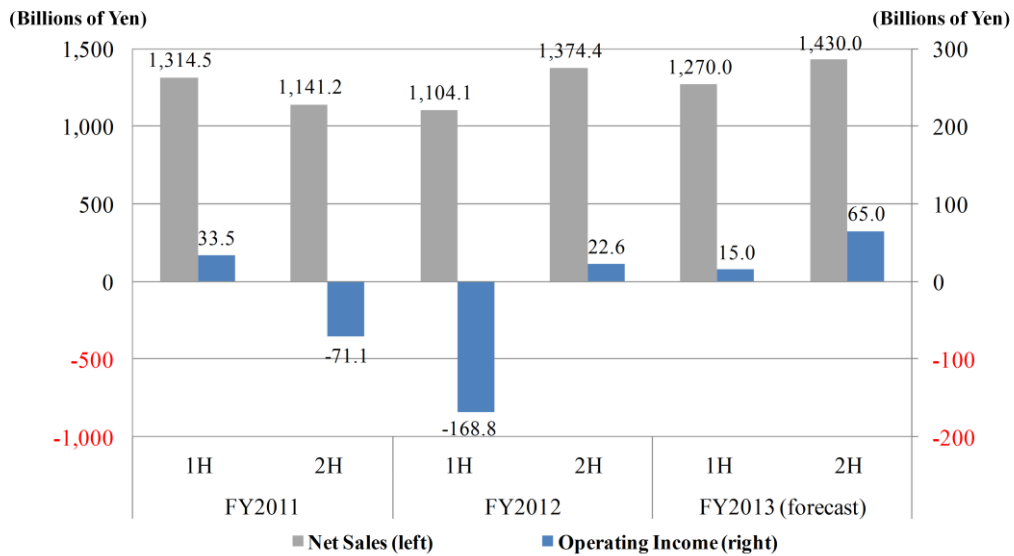
We forecast net sales of 2,700 billion yen, 8.9% up from FY2012.

We set our target for recovering profitability of operating and net income as below:

- Operating income of 80 billion yen, improved by 226.2 billion yen from operating loss of 146.2 billion yen for FY2012.
- Net income of 5 billion yen, improved by 550.3 billion yen from net loss of 545.3 billion yen for FY2012.

## Transition of Net Sales / Operating Income (by 1H / 2H)

*Expecting recovery of net sales and operating income in 2H of fiscal 2013*



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This slide shows a transition of net sales and operating income by 1H / 2H.

For FY2013, we aim for recovering net sales and operating income as below:

(Net sales)

1H: a level of 1,200 billion yen

2H: a level of 1,400 billion yen

(Operating income)

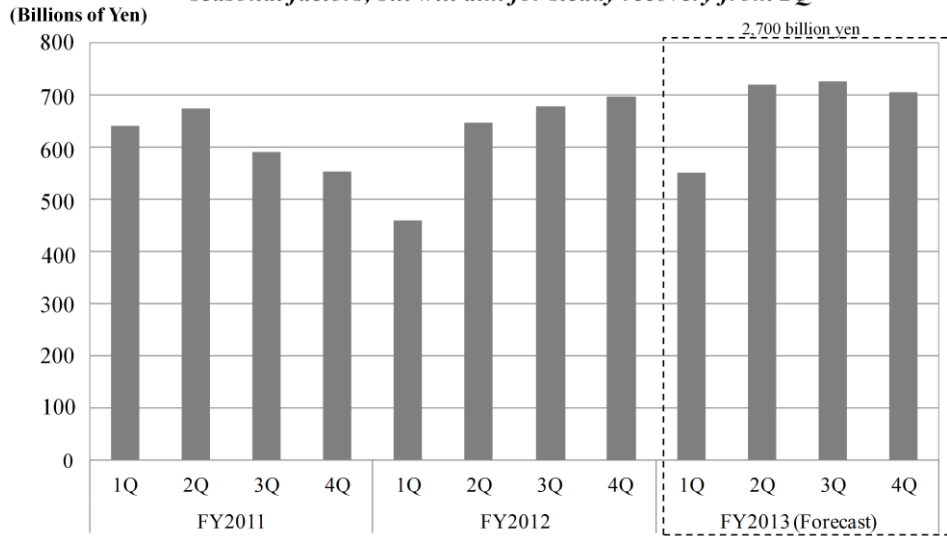
1H: 15 billion yen

2H: 65 billion yen



## Transition of Net Sales by Quarter

*Expect temporary weakening of net sales in 1Q of fiscal 2013 due mainly to seasonal factors, but will aim for steady recovery from 2Q*



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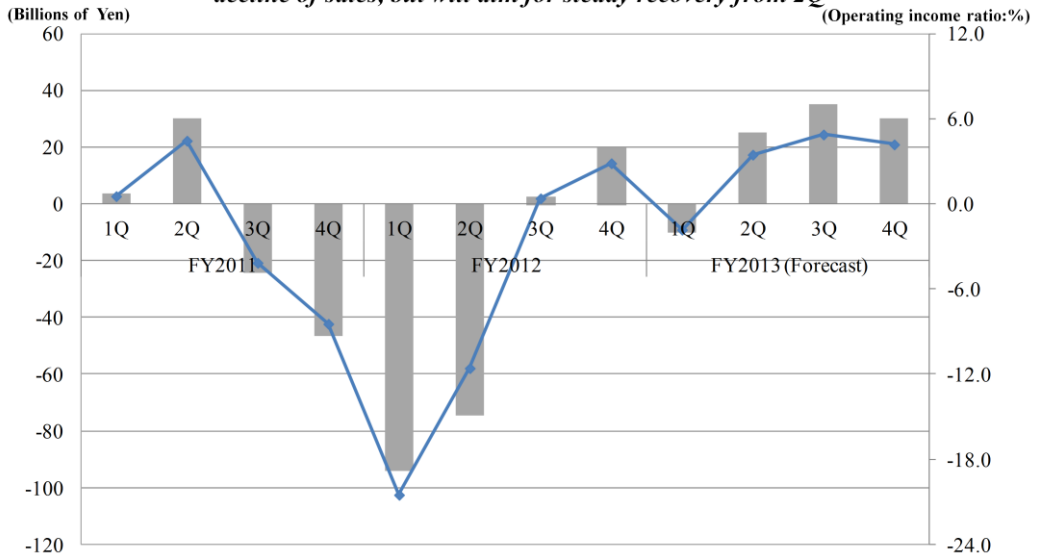
This slide shows transition of net sales forecast by quarter.

We expect a temporary weakening of net sales in 1Q FY2013 compared to 4Q FY2012.

From 2Q, we aim for steady recovery of net sales at the level of 700 billion yen for each quarter, targeting net sales of 2,700 billion yen for FY2013.

## Transition of Operating Income by Quarter

*Expect temporary weakening of operating income in 1Q of fiscal 2013 due to decline of sales, but will aim for steady recovery from 2Q*



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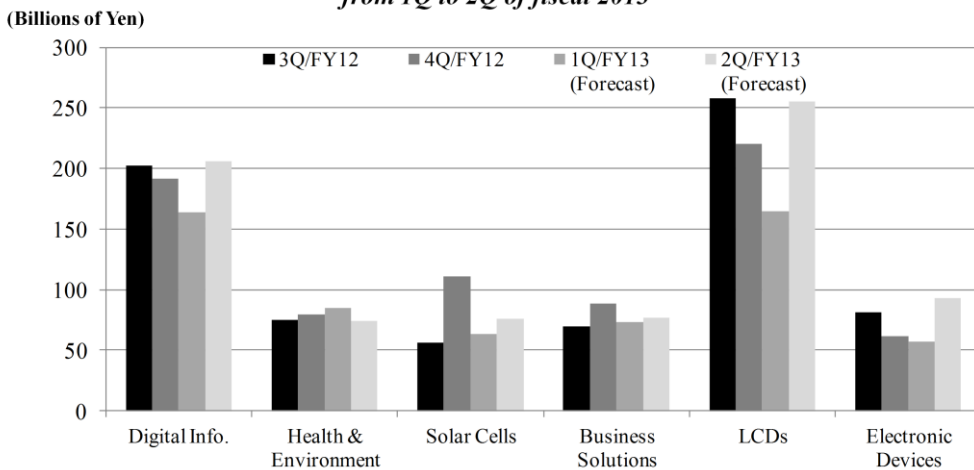
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This slide shows a transition of operating income by quarter (forecast).

We expect a temporary weakening of operating income in 1Q FY2013 due to decline of sales, but we will aim for a steady recovery in profit from 2Q.

## Transition of Quarterly Sales by Product Groups (2H of FY2012 to 1H of FY2013)

*Considerable recovery in Digital Information Equipment and LCD sales  
from 1Q to 2Q of fiscal 2013*



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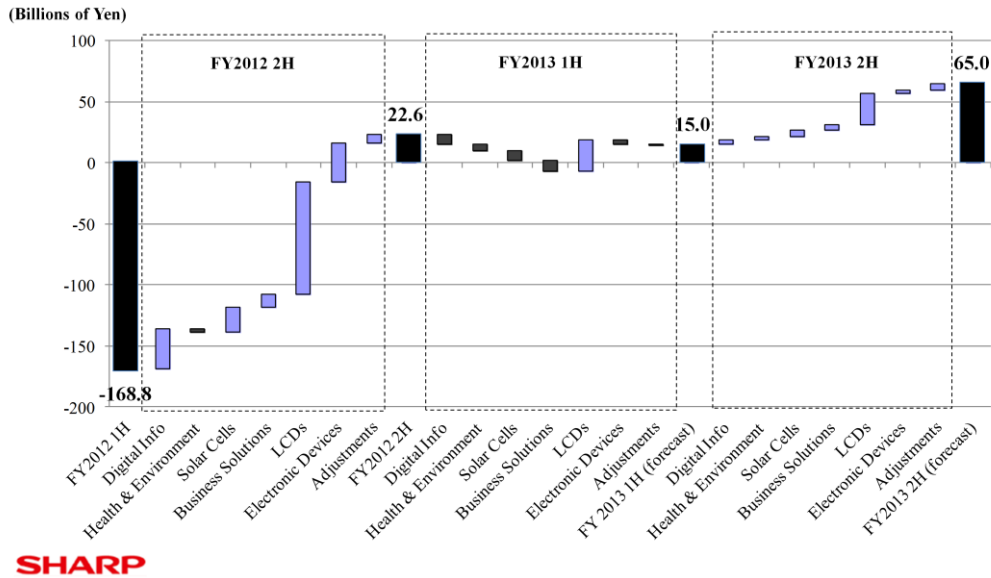
This slide shows transition of quarterly sales by product group from 2H FY2012 to 1H FY2013, as a supplement to the background of a decline in sales of 1Q FY2013.

In 1Q FY2013, we expect a decline in sales of Digital Info. and LCDs due to seasonal factors and fluctuations of orders from major clients, compared to 4Q FY2012. Also, the sales of Solar Cells will be weaker than 4Q FY2012 which gave us last-minute demands of solar cells.

However, we expect a recovery in sales from 2Q FY2013, as is shown in the previous slide.

## Transition of Operating Income by Product Group (1H of FY2012 to 2H of FY2013, Comparison of Half-Year)

*Expect negative result on 1H operating income due to a negative impact of the weakened yen on product group sales, but will target for improving profits by increasing sales in LCDs positively affected by the weakened yen and order increase as well, and by recovering sales in product business.*



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This slide shows a transition of operating income by product group, comparing 1H and 2H of each year.

In 1H FY2013, we expect a decrease in operating income due to negative impact of weakened yen on Product Business compared to 2H FY2012.

From 2H FY2013, we aim for improving profits by increasing sales for major clients in LCDs which are also positively affected by the weakened yen, and by recovering profit in Product Business.

## FY2013 Sales by Product Group(1)

### Product Business Group

(Billions of Yen)

|                                    | FY2011         | FY2012       |              |              |              | FY2013         |                         |                    |
|------------------------------------|----------------|--------------|--------------|--------------|--------------|----------------|-------------------------|--------------------|
|                                    | Full Year      | 1H           | 2H           |              |              | Full Year      | Full Year<br>(Forecast) | Change<br>(Y on Y) |
|                                    |                |              | 3Q           | 4Q           |              |                |                         |                    |
| Digital Information Equipment      | 1,061.0        | 338.5        | 202.3        | 191.6        | 394.0        | 732.6          | 760.0                   | +3.7%              |
| Health and Environmental Equipment | 292.2          | 154.9        | 74.8         | 79.8         | 154.6        | 309.6          | 320.0                   | +3.3%              |
| Solar Cells                        | 223.8          | 93.0         | 55.9         | 110.8        | 166.8        | 259.9          | 280.0                   | +7.7%              |
| Business Solutions                 | 277.5          | 138.9        | 69.6         | 88.3         | 158.0        | 296.9          | 310.0                   | +4.4%              |
| <b>Product Business</b>            | <b>1,854.8</b> | <b>725.6</b> | <b>402.8</b> | <b>470.6</b> | <b>873.5</b> | <b>1,599.2</b> | <b>1,670.0</b>          | <b>+4.4%</b>       |

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

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The following slides show FY2013 sales forecast by product group.

This slide contains FY2013 sales forecast of Product Business group.

As part of our organizational change on April 1, 2013, we changed two segment names as: "Consumer/Information Products" to "Product Business", and "Electronic Components" to "Device Business".

At the same time, "Solar Cells" is transferred to the segment of Product Business (from Electronic Components).

In addition, we changed the category names as: "Audio-Visual and Communication Equipment" to "Digital Information Equipment", and "Information Equipment" to "Business Solutions".

In the segment of Product Business, we aim for increasing sales of every category to be totaled 4.4% up from FY2012.

## FY2013 Sales by Product Group(2)

### Device Business Group / Total Sales

(Billions of Yen)

|                    | FY2011    | FY2012  |       |       |         |           | FY2013                  |                 |
|--------------------|-----------|---------|-------|-------|---------|-----------|-------------------------|-----------------|
|                    | Full Year | 1H      | 3Q    |       | 2H      | Full Year | Full Year<br>(Forecast) | Change<br>(YoY) |
|                    |           |         | 4Q    |       |         |           |                         |                 |
| LCDs               | 721.0     | 368.0   | 258.2 | 220.5 | 478.8   | 846.8     | 970.0                   | +14.5%          |
| Electronic Devices | 238.1     | 126.4   | 82.2  | 62.0  | 144.2   | 270.6     | 320.0                   | +18.2%          |
| Device Business    | 959.1     | 494.4   | 340.4 | 282.6 | 623.0   | 1,117.5   | 1,290.0                 | +15.4%          |
| Sub Total          | 2,814.0   | 1,220.1 | 743.3 | 753.2 | 1,496.6 | 2,716.7   | 2,960.0                 | +9.0%           |
| Adjustments        | -358.1    | -115.9  | -65.0 | -57.1 | -122.2  | -238.1    | -260.0                  | -               |
| Total              | 2,455.8   | 1,104.1 | 678.2 | 696.1 | 1,374.4 | 2,478.5   | 2,700.0                 | +8.9%           |
| Domestic           | 1,181.1   | 455.7   | 255.9 | 295.6 | 551.5   | 1,007.2   | 1,020.0                 | +1.3%           |
| Overseas           | 1,274.6   | 648.4   | 422.3 | 400.5 | 822.8   | 1,471.3   | 1,680.0                 | +14.2%          |

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

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We aim for increasing sales of Device Business by 15.4% up from FY2012, expecting larger sales of LCDs for new and existing major clients.

The average exchange rate for FY2012 was 82 yen per 1 U.S. dollar.

We estimate 95 yen per 1 U.S. dollar for FY2013.

For FY2013, We factored in a positive impact of the weak yen on overseas sales of both Product and Device Business segments.

## FY2013 Operating Income by Product Group(1)

### Product Business Group

Above: Operating Income (Billions of Yen)  
Below: Operating Income Ratio (%)

|                                    | FY2011    | FY2012 |       |       |       | FY2013    |                         |                                     |
|------------------------------------|-----------|--------|-------|-------|-------|-----------|-------------------------|-------------------------------------|
|                                    | Full Year | 1H     |       |       |       | Full Year | Full Year<br>(Forecast) | Difference<br>from<br>previous year |
|                                    |           |        | 3Q    | 4Q    | 2H    |           |                         |                                     |
| Digital Information Equipment      | -6.1      | -21.1  | 5.3   | 6.0   | 11.3  | -9.8      | 12.0                    | +21.8                               |
|                                    | -0.6%     | -6.3%  | 2.6%  | 3.1%  | 2.9%  | -1.3%     | 1.6%                    |                                     |
| Health and Environmental Equipment | 29.4      | 17.3   | 7.4   | 7.3   | 14.8  | 32.2      | 20.0                    | -12.2                               |
|                                    | 10.1%     | 11.2%  | 10.0% | 9.3%  | 9.6%  | 10.4%     | 6.3%                    |                                     |
| Solar Cells                        | -21.9     | -12.3  | -1.9  | 9.7   | 7.8   | -4.4      | 6.0                     | +10.4                               |
|                                    | -9.8%     | -13.2% | -3.4% | 8.8%  | 4.7%  | -1.7%     | 2.1%                    |                                     |
| Business Solutions                 | 27.7      | 6.9    | 6.3   | 11.0  | 17.3  | 24.3      | 22.0                    | -2.3                                |
|                                    | 10.0%     | 5.0%   | 9.1%  | 12.5% | 11.0% | 8.2%      | 7.1%                    |                                     |
| Product Business                   | 29.0      | -9.1   | 17.2  | 34.1  | 51.3  | 42.1      | 60.0                    | +17.8                               |
|                                    | 1.6%      | -1.3%  | 4.3%  | 7.3%  | 5.9%  | 2.6%      | 3.6%                    |                                     |

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The following slides show operating income forecast for FY2013 by product group.

As is shown in this slide, the operating income of Product Business segment is forecasted as 60 billion yen, 17.8 billion yen up from FY2012.

## FY2013 Operating Income by Product Group(2)

### Device Business Group, Total

Above: Operating Income (Billions of Yen)  
Below: Operating Income Ratio (%)

|                       | FY2011    | FY2012 |       |       |       |           | FY2013                  |                                     |
|-----------------------|-----------|--------|-------|-------|-------|-----------|-------------------------|-------------------------------------|
|                       | Full Year | 1H     | 3Q    |       | 2H    | Full Year | Full Year<br>(Forecast) | Difference<br>from<br>previous year |
|                       |           |        | 3Q    | 4Q    |       |           |                         |                                     |
| LCDs                  | -42.2     | -115.5 | -11.7 | -11.6 | -23.4 | -138.9    | 30.0                    | +168.9                              |
|                       | -5.9%     | -31.4% | -4.6% | -5.3% | -4.9% | -16.4%    | 3.1%                    |                                     |
| Electronic<br>Devices | 9.5       | -23.7  | 3.1   | 5.0   | 8.2   | -15.5     | 12.0                    | +27.5                               |
|                       | 4.0%      | -18.8% | 3.9%  | 8.2%  | 5.7%  | -5.7%     | 3.8%                    |                                     |
| Device Business       | -32.7     | -139.3 | -8.5  | -6.6  | -15.1 | -154.5    | 42.0                    | +196.5                              |
|                       | -3.4%     | -28.2% | -2.5% | -2.3% | -2.4% | -13.8%    | 3.3%                    |                                     |
| Sub Total             | -3.6      | -148.5 | 8.6   | 27.5  | 36.1  | -112.3    | 102.0                   | +214.3                              |
|                       | -0.1%     | -12.2% | 1.2%  | 3.7%  | 2.4%  | -4.1%     | 3.4%                    |                                     |
| Adjustments           | -33.8     | -20.3  | -5.9  | -7.5  | -13.5 | -33.9     | -22.0                   | +11.9                               |
| Total                 | -37.5     | -168.8 | 2.6   | 19.9  | 22.6  | -146.2    | 80.0                    | +226.2                              |
|                       | -1.5%     | -15.3% | 0.4%  | 2.9%  | 1.6%  | -5.9%     | 3.0%                    |                                     |

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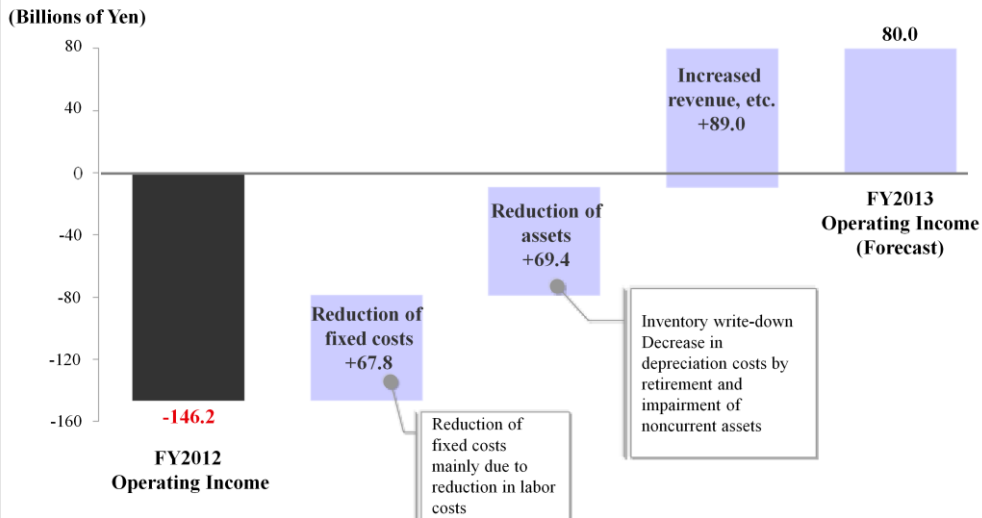
As is shown in this slide, the operating income of Device Business is forecasted as 42 billion yen, 196.5 billion yen up from FY2012.

To sum up, we aim for positive operating income for all Product and Device Business groups for FY2013.



## Breakdown of FY2013 Operating Income Forecast by Factors (comparison of FY2012 and FY2013)

*Improvement of operating income by business restructuring effort in FY2012*



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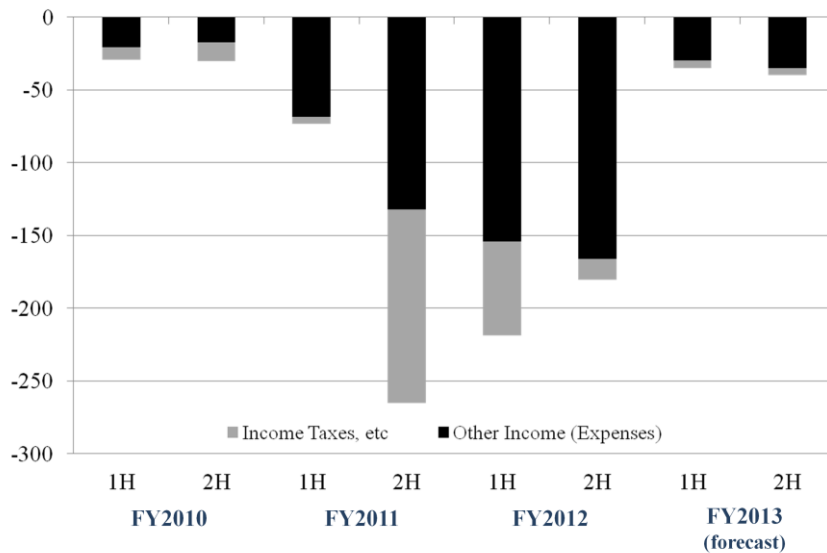
This slide shows a breakdown of operating income forecast for FY2013 by factors.

Reduction of fixed costs (mainly labor cost) and assets, and increased revenue will largely contribute to improving operating income.

## Transition of Other Income (Expenses) / Income Taxes, etc (comparison of 1H and 2H)

*Almost completed financial procedures of business restructuring within fiscal 2012*

(Billions of Yen)



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This slide shows a transition of other income (expenses) and income taxes, etc. by half year (FY2010 - 2013).

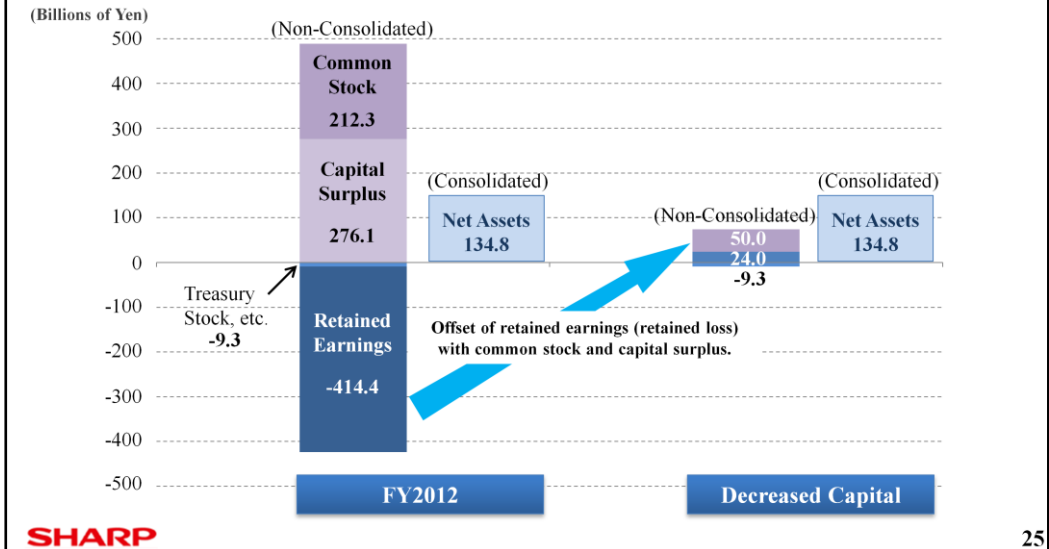
We almost completed recording of a large sum of costs for business restructuring from FY2011 through FY2012.

In FY2013, other income (expenses) will be considerably improved, and income taxes, etc. will be decreased.

We aim for positive net income with not only a recovery in operating income but also with these improvements.

## Cleanup of Balance Sheet (Net Assets Section)

*Decreased capital for restoring fiscal health and exercising agile capital policy  
No impact of this account classification process on total amount of net assets, total number of issued shares, etc.*



Today, we announced to decrease capital.

This is to make a fresh start by cleaning up the Net Assets section of balance sheet which has cumulative loss carried forward.

This accounting process will have no impacts on the amount of net assets and the total number of issued shares, thus, no changes to net assets per share.

We will strive for capital reinforcement by increasing operating cash flow, and will consider agile financing activities based on the decrease in capital.

## Enforcing Organization and Governance Structure

| Measures   | Actions   |
|--|---|
| <p><b>1</b></p> <p style="text-align: center;"><b>Introduction of Business Group System</b></p>                              | <ul style="list-style-type: none"> <li>■ Transformation into a one-stop quick responding organization from the customers' viewpoint</li> <li>■ Thorough and precise management based on business characteristics</li> </ul> |
| <p><b>2</b></p> <p style="text-align: center;"><b>Introducing Corporate Management Group and Structural Reform Group</b></p> | <ul style="list-style-type: none"> <li>■ Strengthening headquarters control / governance function</li> <li>■ Strengthening action forces to complete the medium-term management plan</li> </ul>                             |
| <p><b>3</b></p> <p style="text-align: center;"><b>Management Participation from 2 Main Banks</b></p>                         | <ul style="list-style-type: none"> <li>■ Strengthening management reconstruction together with 2 main banks</li> </ul>  |

As of April 1, Business Group system and Corporate Management Group were introduced to enforce management and execution abilities.

In addition, by accepting personnel from our 2 main banks to participate in our management, we will work together with our main banks for management reconstruction.

**<Supplementary Data>**

- **Sales of Main Products and Components**
- **Overseas Sales by Region**
- **Other Information**

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I would like to conclude my presentation of financial results for FY2012.

We intend to speed up the restructuring process targeting positive results in net income for FY2013.

Thank you.

## Sales of Main Products and Electronic Components

(Billions of Yen)

|                           | FY2011    | FY2012 |       |           |                    | FY2013    |                    |
|---------------------------|-----------|--------|-------|-----------|--------------------|-----------|--------------------|
|                           | Full Year | 1H     | 2H    | Full Year | Change<br>(Y on Y) | Full Year |                    |
|                           |           |        |       |           |                    | Forecast  | Change<br>(Y on Y) |
| <b>LCD Color TVs</b>      | 581.3     | 185.7  | 202.7 | 388.4     | -33.2%             | 400.0     | +3.0%              |
| Unit (million units)      | 12.29     | 3.89   | 4.13  | 8.03      | -34.7%             | 8.00      | -0.4%              |
| <b>Mobile Phones</b>      | 305.8     | 98.3   | 131.3 | 229.6     | -24.9%             | 240.0     | +4.5%              |
| Unit (million units)      | 7.70      | 2.73   | 3.37  | 6.11      | -20.7%             | 6.80      | +11.3%             |
| <b>Refrigerators</b>      | 83.1      | 45.1   | 42.7  | 87.9      | +5.7%              | 96.0      | +9.1%              |
| <b>Air Conditioners</b>   | 53.5      | 35.8   | 23.8  | 59.6      | +11.4%             | 62.0      | +3.9%              |
| <b>Solar Cells</b>        | 223.9     | 93.0   | 166.8 | 259.9     | +16.1%             | 280.0     | +7.7%              |
| Volume (MW)               | 1,073     | 542    | 777   | 1,319     | +22.9%             | 1,600     | +21.3%             |
| <b>Copiers / Printers</b> | 114.2     | 56.3   | 72.1  | 128.4     | +12.4%             | 140.0     | +9.0%              |
| <b>CCD / CMOS Imagers</b> | 97.5      | 66.7   | 86.7  | 153.5     | +57.4%             | 190.0     | +23.8%             |

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## Overseas Sales by Region

Above: Sales (Billions of Yen)  
Below: Composition Ratio

|  |              | FY2011    | FY2012 |        |           | FY2013 |           |        |
|--|--------------|-----------|--------|--------|-----------|--------|-----------|--------|
|  |              | Full Year | 1H     | 2H     | Full Year |        | Full Year |        |
|  |              | Result    | Result | Result | Result    | Y on Y | Forecast  | Y on Y |
|  | The Americas | 288.3     | 146.9  | 208.3  | 355.2     | +23.2% | 360.0     | +1.3%  |
|  |              | 22.6%     | 22.6%  | 25.3%  | 24.1%     |        | 21.4%     |        |
|  | Europe       | 282.6     | 91.9   | 82.4   | 174.3     | -38.3% | 170.0     | -2.5%  |
|  |              | 22.2%     | 14.2%  | 10.0%  | 11.9%     |        | 10.1%     |        |
|  | China        | 483.2     | 278.7  | 389.1  | 667.9     | +38.2% | 820.0     | +22.8% |
|  |              | 37.9%     | 43.0%  | 47.3%  | 45.4%     |        | 48.8%     |        |
|  | Other        | 220.3     | 130.8  | 142.9  | 273.7     | +24.2% | 330.0     | +20.6% |
|  |              | 17.3%     | 20.2%  | 17.4%  | 18.6%     |        | 19.7%     |        |
|  | Total        | 1,274.6   | 648.4  | 822.8  | 1,471.3   | +15.4% | 1,680.0   | +14.2% |
|  |              | 100.0%    | 100.0% | 100.0% | 100.0%    |        | 100.0%    |        |

## Other Information

(Billions of Yen)

|                               | FY2011    | FY2012 |      |           |                    | FY2013    |                    |
|-------------------------------|-----------|--------|------|-----------|--------------------|-----------|--------------------|
|                               | Full Year | 1H     | 2H   | Full Year | Change<br>(Y on Y) | Full Year |                    |
|                               |           |        |      |           |                    | Forecast  | Change<br>(Y on Y) |
| Capital Investment            | 118.8     | 55.0   | 27.3 | 82.4      | -30.6%             | 80.0      | -3.0%              |
| <Reference>LCDs <sup>*1</sup> | 75.1      | 36.9   | 9.0  | 46.0      | -38.7%             | 27.0      | -41.4%             |
| Depreciation and Amortization | 238.9     | 92.6   | 80.7 | 173.3     | -27.4%             | 130.0     | -25.0%             |
| R&D Expenditures              | 154.7     | 74.3   | 63.5 | 137.9     | -10.9%             | 160.0     | +16.0%             |

| Exchange Rate |          |         |          |          |          |
|---------------|----------|---------|----------|----------|----------|
| U.S. Dollar   | ¥ 78.09  | ¥ 78.42 | ¥ 85.80  | ¥ 82.11  | ¥ 95.00  |
| Euro          | ¥ 107.48 | ¥ 99.14 | ¥ 112.15 | ¥ 105.65 | ¥ 125.00 |

|                                   | End of<br>Mar. 2011 | End of<br>Mar. 2012 | End of<br>Mar. 2013 |
|-----------------------------------|---------------------|---------------------|---------------------|
| Number of Employees <sup>*2</sup> | 55,580              | 56,756              | 50,429              |
| Domestic                          | 29,895              | 29,387              | 24,680              |
| Overseas                          | 25,685              | 27,369              | 25,749              |

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

\*2 Sharp Corporation and its consolidated subsidiary companies

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