



Consolidated Financial Results for the Third Quarter Fiscal 2013

- I . Financial Results for the Third Quarter
Fiscal 2013,
Financial Results Forecast for Fiscal 2013**
 - II . Information by Product Group**
 - III . Supplementary Data**
-

SHARP CORPORATION
February 4, 2014

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.

Copyright © 2014 SHARP CORPORATION, All Rights Reserved.

SHARP

I . Financial Results for the Third Quarter Fiscal 2013,
Financial Results Forecast for Fiscal 2013

Financial Results for the Third Quarter

• In 3Q, net sales, operating income, and net income increased drastically over the previous quarter and the same period last year.

(Billions of Yen)

	FY2012		FY2013							
	3Q	1Q to 3Q Accumulated Total	1Q	2Q	3Q	Change (Q on Q)	Difference (Q on Q)	Change (Y on Y)	1Q to 3Q Accumulated Total	Change (Y on Y)
Net Sales	678.2	1,782.4	607.9	734.1	815.2	+11.1%	+81.1	+20.2%	2,157.2	+21.0%
Operating Income	2.6 (0.4%)	-166.2 (-9.3%)	3.0 (0.5%)	30.8 (4.2%)	47.6 (5.8%)	+54.7%	+16.8	17.9-fold	81.4 (3.8%)	-
Net Income	-36.7 (-5.4%)	-424.3 (-23.8%)	-17.9 (-3.0%)	13.6 (1.9%)	22.0 (2.7%)	+61.6%	+8.4	-	17.7 (0.8%)	-

SHARP

2

Consolidated financial results for the third quarter from October to December 2013 recorded net sales of 815.2 billion yen, up 11.1% over the previous quarter and up 20.2% over the same period last year.

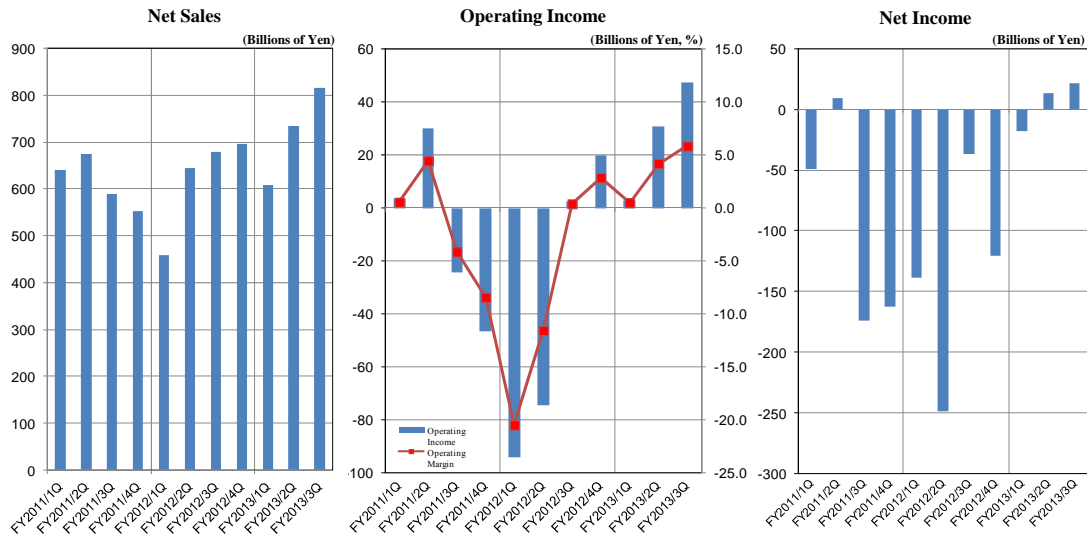
Operating income was 47.6 billion yen, a significant increase of 54.7% over the previous quarter and up 17.9 fold over the same period last year. This increase was due partly to earnings from engineering business activities in the LCD business, such as patent operations. The operating margin increased from 4.2% in the second quarter to 5.8% in the third quarter.

Net income was 22.0 billion yen, a substantial increase over the previous quarter and the same period last year.

For the first three quarters, the period from April to December 2013, net sales were 2,157.2 billion yen, up 21.0% over the same period last year, operating income was 81.4 billion yen, and net income was 17.7 billion yen. This is a drastic improvement over the same period last year, and we returned to the black.

Transitions in Net Sales/Operating Income/Net Income by Quarter

- Quarterly net sales have been improved to the 800 billion yen level.
- Operating income and net income have recovered since the lows of 1Q and 2Q FY2012.
- Operating income has stayed in the black for 5 consecutive quarters.



SHARP

3

This slide shows transition in net sales, operating income, and net income by quarter.

As you can see, quarterly net sales improved, exceeding 800 billion yen.

As well, both operating income and net income continued to recover following the lows of the first and second quarters of fiscal 2012, with operating income in the black for five consecutive quarters and net income in the black for two consecutive quarters.

Financial Results Forecast for Fiscal 2013

- Net sales increased 200 billion yen over the previous forecast to 2.9 trillion yen, and operating income was revised upward by 20 billion yen to 100 billion yen.
- Net income for the period remain unchanged from the previous forecast due to increase in other expenses such as interest expenses, exchange rate loss with depreciation of currencies in emerging countries, and costs associated with financial arrangements.

(Billions of Yen)

	FY2013			
	Full Year Previous Forecast	Full Year Revised Forecast	Difference from Previous Forecast	
			Changed Amount	Ratio of Change
Net Sales	2,700.0	2,900.0	+200.0	+7.4%
Operating Income	80.0	100.0	+20.0	+25.0%
Other Income (Expenses), Income Taxes, etc.	-75.0	-95.0	-20.0	-
Net Income	5.0	5.0	0.0	-

SHARP

4

Based on the results for the first three quarters and the current business climate, we revised our full year forecast upward for fiscal 2013. Net sales were revised to 2.9 trillion yen, an increase of 200 billion yen over the previous forecast of 2.7 trillion yen.

Following this, we also upwardly revised operating income by 20 billion yen from 80 billion yen to 100 billion yen. However, net income remains unchanged from the previous forecast, due mainly to an increase in other expenses, such as interest expense, exchange rate loss with depreciation of currencies in emerging countries, and costs associated with financial arrangements.

Sales by Product Group

- 2-digit growth for Digital Information Equipment, Solar Cells and Electronic Devices compared to the previous period.
- Growth in all product groups when compared with the same period last year.

(Billions of Yen)

	FY2012	FY2013					
	3Q	1Q	2Q	3Q	Change (Q on Q)	Difference (Q on Q)	Change (Y on Y)
Digital Information Equipment	202.3	158.9	175.6	216.9	+23.5%	+41.3	+7.2%
Health and Environmental Equipment	74.8	82.3	77.5	82.1	+5.8%	+4.5	+9.7%
Solar Cells	55.9	84.3	83.9	108.5	+29.4%	+24.6	+94.1%
Business Solutions	69.6	77.6	80.7	77.1	-4.5%	-3.6	+10.7%
Product Business	402.8	403.3	417.9	484.7	+16.0%	+66.8	+20.3%
LCDs	258.2	193.8	284.7	277.5	-2.5%	-7.2	+7.5%
Electronic Devices	82.2	61.2	86.5	106.4	+23.0%	+19.8	+29.5%
Device Business	340.4	255.0	371.3	384.0	+3.4%	+12.6	+12.8%
Sub Total	743.3	658.3	789.2	868.7	+10.1%	+79.5	+16.9%
Adjustments	-65.0	-50.4	-55.1	-53.4	-	+1.6	-
Total	678.2	607.9	734.1	815.2	+11.1%	+81.1	+20.2%

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

SHARP

5

This slide shows sales by product group.

Overall sales growth for the third quarter was 81.1 billion yen, up 11.1% over the previous quarter, with significant growth in Digital Information Equipment, Solar Cells, and Electronic Devices.

Operating Income by Product Group

• In 3Q, all product groups were in the black following 2Q.

(Billions of Yen)

	FY2012	FY2013					
	3Q	1Q	2Q	3Q	Change (Q on Q)	Difference (Q on Q)	Change (Y on Y)
Digital Information Equipment	5.3 (2.6%)	-1.3 (-0.9%)	2.2 (1.3%)	8.4 (3.9%)	3.8-fold	+6.2	+59.4%
Health and Environmental Equipment	7.4 (10.0%)	6.4 (7.8%)	3.2 (4.2%)	5.6 (6.9%)	+75.4%	+2.4	-23.9%
Solar Cells	-1.9 (-3.4%)	6.8 (8.1%)	3.0 (3.7%)	5.9 (5.5%)	+93.7%	+2.8	-
Business Solutions	6.3 (9.1%)	7.5 (9.8%)	8.3 (10.3%)	6.1 (8.0%)	-26.3%	-2.1	-3.0%
Product Business	17.2 (4.3%)	19.4 (4.8%)	16.8 (4.0%)	26.2 (5.4%)	+55.7%	+9.4	+52.5%
LCDs	-11.7 (-4.6%)	-9.5 (-4.9%)	18.1 (6.4%)	26.0 (9.4%)	+43.1%	+7.8	-
Electronic Devices	3.1 (3.9%)	0.1 (0.2%)	5.1 (5.9%)	4.2 (4.0%)	-18.0%	-0.9	+32.5%
Device Business	-8.5 (-2.5%)	-9.3 (-3.7%)	23.3 (6.3%)	30.2 (7.9%)	+29.6%	+6.9	-
Sub Total	8.6 (1.2%)	10.0 (1.5%)	40.1 (5.1%)	56.4 (6.5%)	+40.6%	+16.3	6.5-fold
Adjustments	-5.9	-7.0	-9.3	-8.8	-	+0.5	-
Total	2.6 (0.4%)	3.0 (0.5%)	30.8 (4.2%)	47.6 (5.8%)	+54.7%	+16.8	17.9-fold

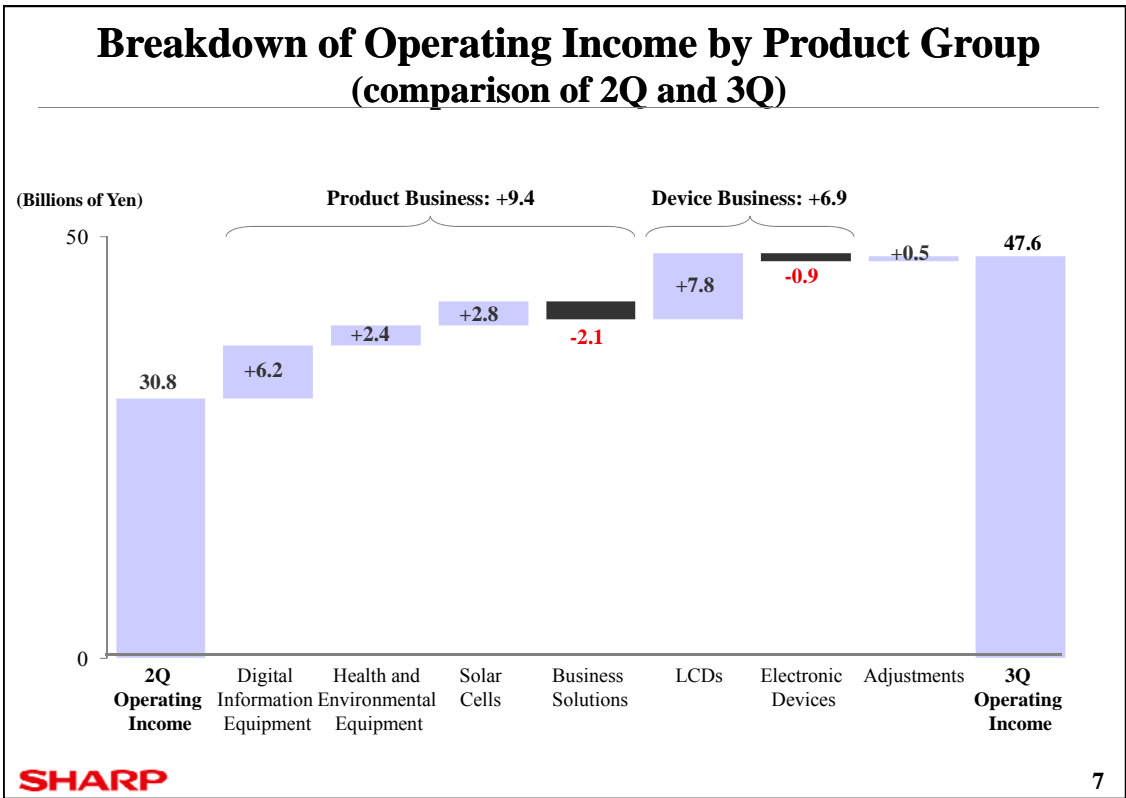
SHARP

*The percentage figures noted in brackets show operating margin

6

This slide shows operating income by product group.

In the third quarter, all product groups were in the black following the second quarter. Overall, operating income increased by 16.8 billion yen, up 54.7% over the previous quarter.



This slide shows a breakdown of change in operating income between the second and third quarters for each product group.

Digital Information Equipment and LCDs both made a significant contribution to the improvement of company earnings.

Other Income (Expenses)

• No restructuring charges were recorded, although interest expense increased compared to 3Q FY2012.

(Billions of Yen)

	FY2012		FY2013			Difference (Y on Y)
	3Q	1Q	2Q	3Q		
Operating Income	2.6	3.0	30.8	47.6	+44.9	
Other Income (Expenses)	-34.9	-16.8	-12.1	-15.0	+19.8	
Gain on sales of noncurrent assets	0.0	0.0	2.9	0.0	0.0	
Gain on sales of investment securities	0.0	0.0	1.5	0.0	0.0	
Interest expense	-3.7	-4.2	-4.7	-5.8	-2.1	
Loss on sales and retirement of noncurrent assets	-0.5	-0.1	-1.0	-0.3	+0.2	
Loss on valuation of investment securities	-0.4	0.0	-0.9	-1.3	-0.9	
Restructuring charges	-27.3	0.0	0.0	0.0	+27.3	
Settlement package	-2.0	0.0	0.0	0.0	+1.9	
Provision for loss on litigation	0.0	-1.0	0.0	0.0	0.0	
Others	-0.7	-11.5	-10.0	-7.4	-6.6	
Income Taxes, etc.	-4.5	-4.1	-5.0	-10.5	-6.0	
Net Income	-36.7	-17.9	13.6	22.0	+58.8	

SHARP

8

This slide shows other income (expenses).

While interest expense increased in the third quarter compared to the same period last year, restructuring charges were eliminated.

Income taxes, etc. increased by 6.0 billion yen.

Implementation State of Measures to Reinforce Business Foundations

<Reducing Fixed Costs by Reformation of Cost Structure>

- Reduction in fixed costs of 97.6 billion yen compared to FY2012 1Q to 3Q (9 months) due to a reduction in depreciation and amortization and in labor costs

<Capital Reinforcement Measures>

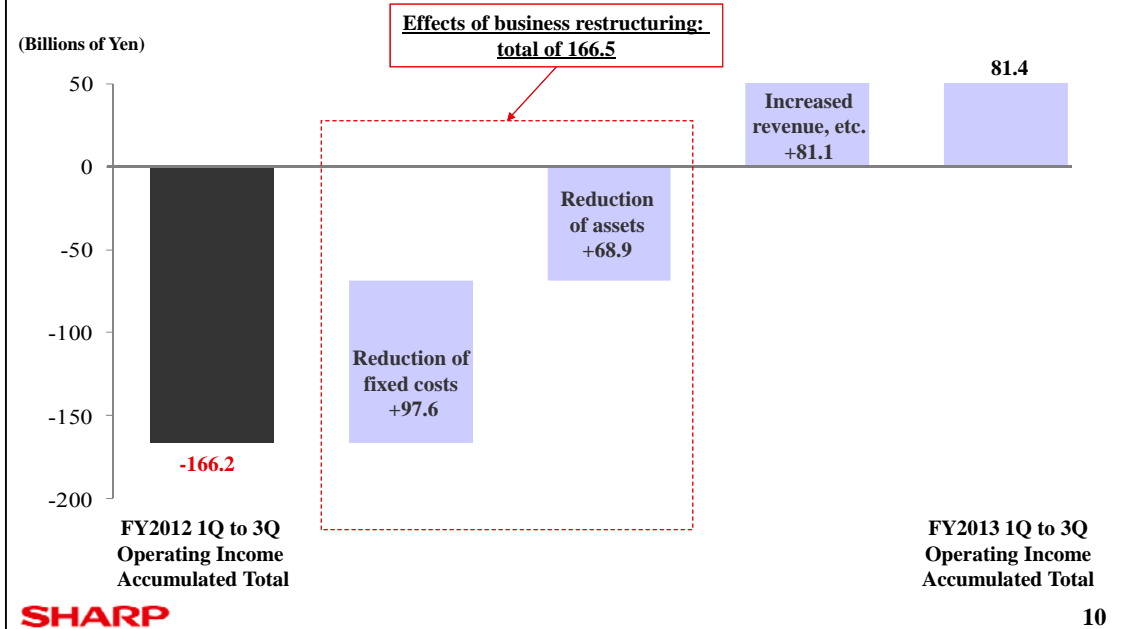
- A total of 120.3 billion yen capital increase through a public offering and secondary offering due to over-allotment (October, November 2013)
- A total of 17.4 billion yen capital increase through third-party allotments to Denso, Makita and LIXIL (October 2013)

These are the measures we are taking to reinforce business foundations.

Regarding the measure to reduce fixed costs by reformation of cost structure, we reduced fixed costs by 97.6 billion yen compared to the first three quarters of fiscal 2012. We achieved this through a reduction in depreciation and amortization, and a reduction in labor costs.

Regarding capital reinforcement measures, with the goal of securing strategic investment funds and strengthening our financial foundations to achieve the targets of our Medium-Term Management Plan, we increased a total of 120.3 billion yen capital through a public offering and through third-party allotment in relation to the secondary offering due to over-allotment. We also increased a total of 17.4 billion yen capital through third-party allotments to DENSO CORPORATION, Makita Corporation, and LIXIL Corporation.

Breakdown of Operating Income by Factors (Y on Y comparison of 1Q to 3Q 9-month accumulated total)



This slide shows a breakdown of operating income by key contributing factors, with a comparison between the first three quarters of fiscal 2012 and 2013.

The improvement in operating income was due to the effects of business restructuring, which include the reduction of fixed costs, and the reduction of assets such as inventories and noncurrent assets. It was also due to increased revenue in each product group.

Consolidated Balance Sheets

- The balance of cash and time deposits increased to 318.5 billion yen due to capital increase through a public offering and third-party allotments.
- The equity ratio has improved from 6.0% at end of March 2013 to 13.1% at end of December 2013.

(Billions of Yen)

	FY2012	FY2013	
	End of Mar. 2013	End of Sep. 2013	End of Dec. 2013
Cash, time deposits and restricted cash	191.9	167.5	318.5
Notes and accounts receivable	558.2	608.0	711.5
Inventories	310.7	317.5	342.1
Other current assets	160.9	189.9	177.2
Current Assets	1,221.8	1,282.9	1,549.4
Plant and Equipment	563.6	535.2	530.7
Investments and Other Assets	301.6	297.1	326.0
Deferred Assets	0.6	0.1	0.1
Total assets	2,087.7	2,115.5	2,406.3

	FY2012	FY2013	
	End of Mar. 2013	End of Sep. 2013	End of Dec. 2013
CB	200.3	0.0	0.0
Short-term borrowings	924.1	874.0	899.3
Notes and accounts payable	405.6	449.3	483.7
Other current liabilities	337.7	289.6	339.8
Current Liabilities	1,667.5	1,613.0	1,722.9
Long-term Liabilities	285.3	355.9	356.5
Liabilities	1,952.9	1,968.9	2,079.4
Net Assets	134.8	146.6	326.8
Total liabilities and net assets	2,087.7	2,115.5	2,406.3

Equity Ratio	6.0%	6.4%	13.1%
---------------------	------	------	-------

SHARP

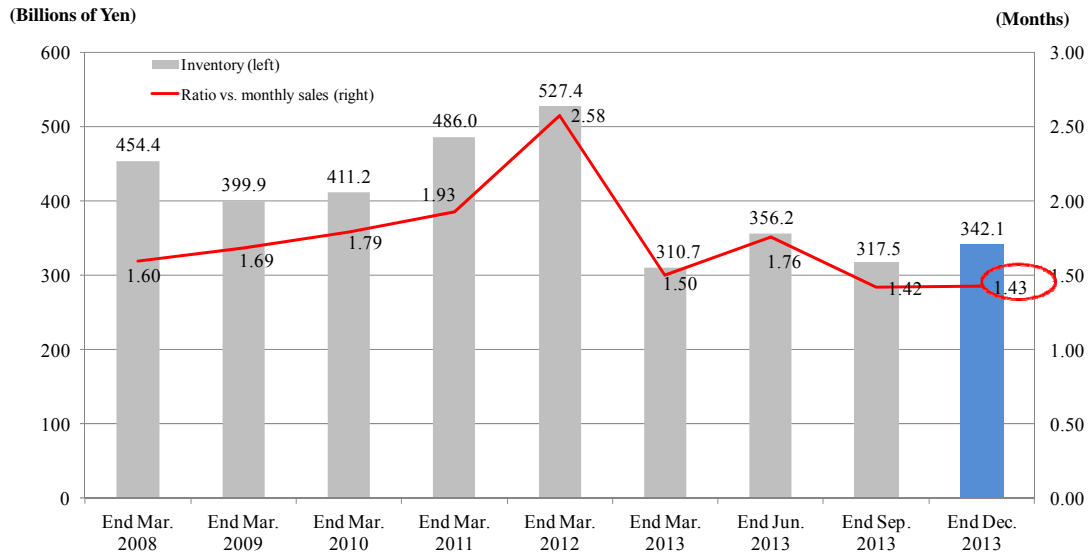
11

This slide shows the consolidated balance sheets.

At the end of December 2013, cash, time deposits and restricted cash increased by 150.9 billion yen over the end of September 2013, following a capital increase through a public offering and third-party allotments in October and November 2013. Accordingly, the net asset balance came to 326.8 billion yen and the equity ratio improved from 6.4% at the end of September 2013 to 13.1%.

“Asset Light” Approach [Transition of Inventory]

• Inventory at end Dec. 2013 was 342.1 billion yen, an increase of 24.5 billion yen compared to end Sep. 2013, and the ratio vs. monthly sales were relatively flat at 1.43 months.



SHARP

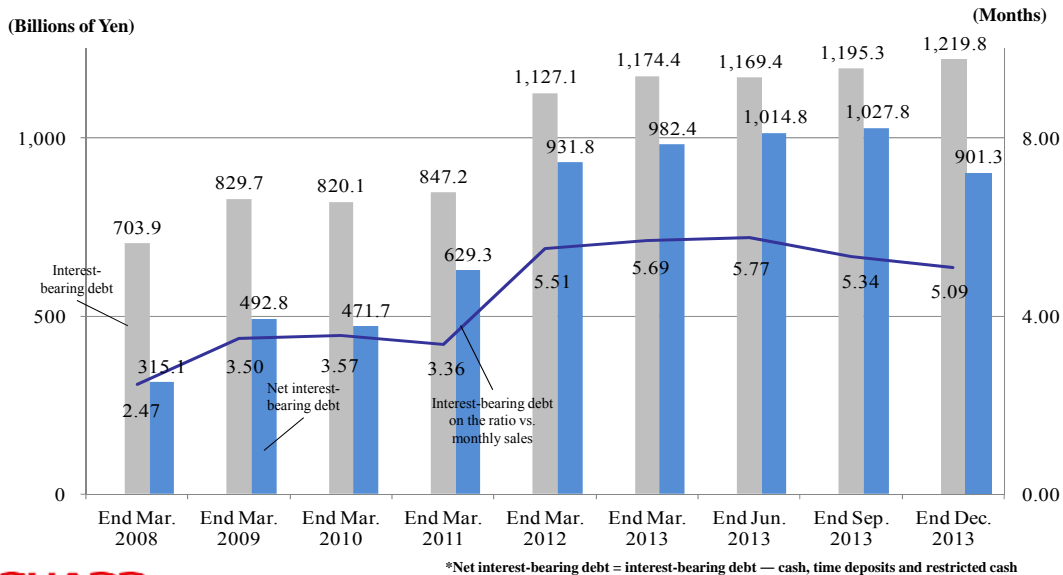
12

This slide shows the transition of inventory.

Inventory at the end of December 2013 was 342.1 billion yen. This was an increase of 24.5 billion yen compared to the end of September 2013, as a result of sales increase. The ratio vs. monthly sales was relatively flat, at 1.43 months.

Transition of Interest-bearing Debt

- Interest-bearing debt at end Dec. 2013 was 1,219.8 billion yen, an increase of 24.5 billion yen compared to end Sep. 2013, and the ratio vs. monthly sales decreased to 5.09 months from 5.34 months.
- Net interest-bearing debt* decreased to 901.3 billion yen due to an increase in cash and time deposits following capital increase through a public offering and third-party allotments.



SHARP

13

This slide shows transition of interest-bearing debt.

Interest-bearing debt at the end of December 2013 was 1,219.8 billion yen, an increase of 24.5 billion yen compared to the end of September 2013.

The ratio vs. monthly sales decreased to 5.09 months.

Net interest-bearing debt, which is interest-bearing debt minus cash, time deposits and restricted cash, improved to the 900 billion yen level.

We will strive for a further reduction of the interest-bearing debt by improving cash flows.

II. Information by Product Group

Digital Information Equipment <Total>

(Billions of Yen)

	FY2013										Full Year Previous Forecast
	1Q	2Q	3Q	Change		4Q Revised Forecast	Change		Full Year Revised Forecast	Change	
				(Q on Q)	(Y on Y)		(Q on Q)	(Y on Y)			
Sales	158.9	175.6	216.9	+23.5%	+7.2%	178.4	-17.7%	-6.9%	730.0	-0.4%	730.0
Operating Income (margin)	-1.3 (-0.9%)	2.2 (1.3%)	8.4 (3.9%)	3.8-fold	+59.4%	-1.3 (-0.8%)	-	-	8.0 (1.1%)	-	5.0 (0.7%)

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

[3Q]

- In addition to growth in units and amount of LCD TVs, the effects of the release of new mobile phones and other factors ensured that 3Q remained in the black, making drastic improvements to profitability on the back of 2Q

[Onward Actions]

- While profitability is forecast to reduce in 4Q due to decrease in sales of mobile phones following seasonal fluctuations, it is expected to be in the black for the full year

SHARP

15

Sales of Digital Information Equipment for the third quarter were up over the previous quarter by 23.5% to 216.9 billion yen, while operating income increased 3.8 fold to 8.4 billion yen.

The full year forecast for operating income has been revised based on results for the first three quarters.

Digital Information Equipment

<LCD TVs, Mobile Phones>

(Billions of Yen; Millions of Units)

		FY2013										Full Year Previous Forecast
		1Q	2Q	3Q	Change		4Q Revised Forecast	Change		Full Year Revised Forecast	Change	
					(Q on Q)	(Y on Y)		(Q on Q)	(Y on Y)			
LCD TVs	Amt	80.3	113.7	118.8	+4.5%	+13.0%	107.0	-9.9%	+9.8%	420.0	+8.1%	400.0
	Unit	1.56	2.12	2.18	+2.5%	-2.3%	2.12	-2.5%	+11.9%	8.00	-0.4%	8.00
Mobile Phones	Amt	50.2	37.2	69.2	+85.8%	+6.7%	53.2	-23.1%	-19.9%	210.0	-8.5%	210.0
	Unit	1.31	1.11	1.77	+59.6%	+13.0%	1.29	-27.2%	-28.3%	5.50	-10.0%	5.50

[3Q]

LCD TVs: Growth in units and amount from 2Q mainly in Japan where the market bottomed out
Mobile phones: Growth in units and amount due to sales of new products

[Onward Actions]

LCD TVs: Increase the sales of high-definition LCD TVs such as 4K AQUOS and Quattron Pro, enhance the lineup of 60 inch and larger (70/80/90 inch) models, and introduce locally suitable products in emerging countries and other important regions
Mobile phones: Enhance the lineup centering on new products equipped with IGZO LCDs that feature high definition and low power consumption

SHARP

16

In the third quarter, sales of LCD TVs, one of our main products in this group, were up 4.5% in value over the previous quarter, to 118.8 billion yen, and up 2.5% in volume, to 2.18 million units.

Sales grew in Japan, where the market appeared to have bottomed out. Europe, the U.S., and China showed growth in sales volume as well. We are looking to boost sales of high-definition LCD TVs such as 4K AQUOS and Quattron Pro, and enhance the lineup of 60-inch and larger models, as well as increase sales in emerging countries and other important regions.

The full year forecast for sales in value has been revised.

Sales of mobile phones were 69.2 billion yen, up 85.8% over the previous quarter, and sales volume was 1.77 million units, an increase of 59.6%. This was attributed to new product introduction.

This business is anticipated to remain under a harsh market environment, primarily because competition is intensifying with overseas mobile phone manufacturers. Sharp will boost sales through the creation of uniquely featured phones, such as IGZO models with high definition and low power consumption capability, and models with large screens and thin bezels.

Health and Environmental Equipment

(Billions of Yen)

	FY2013										Full Year Previous Forecast
	1Q	2Q	3Q	Change		4Q Revised Forecast	Change		Full Year Revised Forecast	Change	
				(Q on Q)	(Y on Y)		(Q on Q)	(Y on Y)			
Sales	82.3	77.5	82.1	+5.8%	+9.7%	78.0	-5.0%	-2.2%	320.0	+3.3%	320.0
Operating Income (margin)	6.4 (7.8%)	3.2 (4.2%)	5.6 (6.9%)	+75.4%	-23.9%	4.6 (5.9%)	-18.5%	-37.2%	20.0 (6.3%)	-37.9%	20.0 (6.3%)

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

[3Q]

- Strong sales of air purifiers following PM2.5 issues, and growth in microwave ovens and other products

[Onward Actions]

- Release highly functional products with unique features, and minimize the influence of exchange rate fluctuations by promoting local production for local consumption
- Positive sales expansion in anticipation of last-minute demand in the Japanese market before rise in consumption tax, and creation of products that trigger new demand in preparation for the backlash

SHARP

17

Sales of Health and Environmental Equipment were 82.1 billion yen, up 5.8% over the previous quarter, while operating income was up 75.4%, to 5.6 billion yen.

We will minimize the influence of rapid exchange rate fluctuations by promoting local production for local consumption, and expand overseas business with ASEAN as a top-priority region.

Solar Cells

(Billions of Yen)

	FY2013										Full Year Revised Forecast	Change (Y on Y)	Full Year Previous Forecast
	1Q	2Q	3Q	Change		4Q Revised Forecast	Change		Full Year Revised Forecast	Change (Y on Y)			
				(Q on Q)	(Y on Y)		(Q on Q)	(Y on Y)					
Sales	84.3	83.9	108.5	+29.4%	+94.1%	153.1	+41.0%	+38.1%	430.0	+65.4%	310.0		
Volume (MW)	343	560	459	-18.1%	+67.4%	738	+60.8%	+46.7%	2,100	+59.2%	1,800		
Operating Income (margin)	6.8 (8.1%)	3.0 (3.7%)	5.9 (5.5%)	+93.7%	-	8.1 (5.3%)	+37.2%	-16.2%	24.0 (5.6%)	-	13.0 (4.2%)		

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

[3Q]

- Continued strong sales in the Japanese market for industrial applications such as mega-solar power generation
- Developer business contributing to increased sales overseas

[Onward Actions]

- Expand sales and secure profitability in the Japanese market that has steady demand, expand on the developer businesses overseas
 - Residential use: Strengthen sales with improved after-sales services including maintenance
 - Industrial use: Complete construction through more superior product supply system and construction system, and secure new projects by strengthening design and sales activities
- Promotion of restructuring including termination of module production in US and UK, shift to energy solution business

SHARP

18

Sales of Solar Cells were up 29.4% over the previous quarter, to 108.5 billion yen, while operating income was up 93.7%, to 5.9 billion yen. In Japan, there were strong sales for residential use and industrial use including mega-solar power generation, while overseas the developer business improved.

We will strive to achieve consistent income by expanding our energy solutions business and by stepping up business in Japan.

The full year forecast has been revised based on the current favorable sales situation.

Business Solutions

(Billions of Yen)

	FY2013										Full Year Previous Forecast
	1Q	2Q	3Q	Change		4Q Revised Forecast	Change		Full Year Revised Forecast	Change	
				(Q on Q)	(Y on Y)		(Q on Q)	(Y on Y)			
Sales	77.6	80.7	77.1	-4.5%	+10.7%	74.4	-3.5%	-15.7%	310.0	+4.4%	310.0
Operating Income (margin)	7.5 (9.8%)	8.3 (10.3%)	6.1 (8.0%)	-26.3%	-3.0%	5.9 (8.0%)	-3.5%	-46.3%	28.0 (9.0%)	+15.0%	22.0 (7.1%)

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

[3Q]

- The margin has decreased due to seasonal factors, tougher competition and other factors, however still secure stable profitability

[Onward Actions]

- Increase sales of high-speed MFPs in developed countries and expand color MFPs in emerging countries
- New customer approach combining MFPs and displays, and enhancement of package solution

SHARP

19

Sales of Business Solutions were down 4.5% over the previous quarter to 77.1 billion yen, and operating income was 6.1 billion yen, down 26.3%, due mainly to seasonal factors and intensifying competition.

We will strive to expand business by offering solutions that tap into new customers, with a focus on Sharp's strength of unique displays and MFPs, and by strengthening direct-sales systems.

The full year forecast has been revised.

LCDs

(Billions of Yen)

	FY2013										Full Year Previous Forecast
	1Q	2Q	3Q	Change		4Q Revised Forecast	Change		Full Year Revised Forecast	Change	
				(Q on Q)	(Y on Y)		(Q on Q)	(Y on Y)			
Sales	193.8	284.7	277.5	-2.5%	+7.5%	243.9	-12.1%	+10.6%	1,000.0	+18.1%	970.0
Operating Income (margin)	-9.5 (-4.9%)	18.1 (6.4%)	26.0 (9.4%)	+43.1%	-	5.3 (2.2%)	-79.6%	-	40.0 (4.0%)	-	30.0 (3.1%)

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

[3Q]

- Decrease in sales compared to 2Q, due to price decline in large-size LCDs despite growth in sales of small- and medium-size LCDs centering on smartphone application
- Engineering businesses related to patents, etc. contributed to significant increase in operating income
- LCD plant operating ratio progressed as per plans, and the small- and medium-size LCD production ratio at the Kameyama No.2 Plant was approximately 30%

[Onward Actions]

- Develop new customers with positive progress with design-in activities
- Strengthen sales of small- and medium-size LCDs featuring high definition and low power consumption, such as IGZO LCDs

SHARP

20

Sales of LCDs decreased 2.5% from the previous quarter to 277.5 billion yen, due primarily to price drops in large-size LCDs, although sales of small- and medium-size LCDs grew, mainly for smartphone applications.

On the other hand, operating income increased by 43.1% to 26.0 billion yen, partly owing to engineering business activities such as patent operations.

We will continue to keep our eyes on market trends and individual user demand, promote design-in activities that will gain new customers, and strengthen our stable customer base. This will help us secure stable operation of our plants and boost profitability.

Based on results for the first three quarters and factors such as the risk of price drops in LCD panels in the fourth quarter, we have revised the full year forecast.

Electronic Devices

(Billions of Yen)

	FY2013										Full Year Previous Forecast
	1Q	2Q	3Q	Change		4Q Revised Forecast	Change		Full Year Revised Forecast	Change	
				(Q on Q)	(Y on Y)		(Q on Q)	(Y on Y)			
Sales	61.2	86.5	106.4	+23.0%	+29.5%	85.6	-19.5%	+38.1%	340.0	+25.6%	320.0
Operating Income (margin)	0.1 (0.2%)	5.1 (5.9%)	4.2 (4.0%)	-18.0%	+32.5%	2.5 (3.0%)	-39.7%	-49.8%	12.0 (3.5%)	-	12.0 (3.8%)

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

[3Q]

- Strong sales of camera modules for mobile devices

[Onward Actions]

- Expand the customer base by developing smaller, highly functional camera modules for mobile devices
- Bolster sales of our strong devices such as proximity sensors with light sensors for mobile devices
- Better application development of sensing devices to be applied in monitoring (security), in-vehicle and medical fields
- Bolster sales of touchscreen systems for mobile devices

SHARP

21

Sales of Electronic Devices achieved a 23.0% increase over the previous quarter to 106.4 billion yen, due to steady growth in products such as camera modules for mobile devices. However, the effect of price drops led to an 18.0% decrease in operating income to 4.2 billion yen.

We will step up efforts to boost sales of proprietary devices, such as highly functional camera modules and sensors for smartphones and tablet terminals.

The full year forecast for sales has been revised.

III. Supplementary Data

Consolidated Financial Results Forecast for Fiscal 2013

(Billions of Yen)

	FY2013								FY2013
	1Q	2Q	3Q	1Q to 3Q Accumulated Total	4Q Revised Forecast	Full Year Revised Forecast	Difference from Previous Forecast		Full Year Previous Forecast
							Changed Amount	Ratio of Change	
Net Sales	607.9	734.1	815.2	2,157.2	742.7	2,900.0	+200.0	+7.4%	2,700.0
Domestic	258.8	285.5	296.2	840.5	279.4	1,120.0	+100.0	+9.8%	1,020.0
Overseas	349.1	448.5	519.0	1,316.7	463.2	1,780.0	+100.0	+6.0%	1,680.0
Operating Income	3.0	30.8	47.6	81.4	18.5	100.0	+20.0	+25.0%	80.0
Net Income	-17.9	13.6	22.0	17.7	-12.7	5.0	0.0	-	5.0

SHARP

23

This is the consolidated financial results forecast for fiscal 2013.

We forecast decreases in net sales and operating income in the fourth quarter compared to the third quarter. This is due mainly to seasonal factors and the timing at which major products are released into the market. In addition, increases in the amount of other expenses and corporate tax are projected in the fourth quarter. We anticipate all these factors will trigger a decrease in net income compared to the third quarter, leading to a net deficit in the fourth quarter.

The revised forecast for the full year which was mentioned earlier includes these factors.

Consolidated Financial Results Forecast for Fiscal 2013

(Billions of Yen)

	FY2013								FY2013
	1Q	2Q	3Q	1Q to 3Q Accumulated Total	4Q Revised Forecast	Full Year Revised Forecast	Difference from Previous Forecast		Full Year Previous Forecast
							Changed Amount	Ratio of Change	
Capital Investment	10.5	10.9	11.2	32.7	37.2	70.0	-10.0	-12.5%	80.0
Depreciation and Amortization	29.9	28.7	27.7	86.4	33.5	120.0	-10.0	-7.7%	130.0

Exchange Rate	FY2012 Full Year	3Q	1Q to 3Q Average	Full Year Revised Forecast
U.S. Dollar	¥82.11	¥99.46	¥98.39	¥100.00
Euro	¥105.65	¥135.20	¥130.74	¥130.00

SHARP

24

This is the full year forecast for capital investment, depreciation and amortization, exchange rate, sales by product group, and operating income.

In conclusion, we expect to reach the full year targets we set at the beginning of fiscal 2013. However, we still face a difficult situation in regards to earnings and finance.

We will continue to do everything possible as we pick up the pace of structural reform, in order to achieve the goals of the Medium-Term Management Plan.

Sales by Product Group Fiscal 2013 Full Year

	FY2013						Difference from Previous Forecast	FY2013
	1Q	2Q	3Q	1Q to 3Q Accumulated Total	4Q Revised Forecast	Full Year Revised Forecast		Full Year Previous Forecast
Digital Information Equipment	158.9	175.6	216.9	551.5	178.4	730.0	0.0	730.0
Health and Environmental Equipment	82.3	77.5	82.1	241.9	78.0	320.0	0.0	320.0
Solar Cells	84.3	83.9	108.5	276.8	153.1	430.0	+120.0	310.0
Business Solutions	77.6	80.7	77.1	235.5	74.4	310.0	0.0	310.0
Product Business	403.3	417.9	484.7	1,305.9	484.0	1,790.0	+120.0	1,670.0
LCDs	193.8	284.7	277.5	756.1	243.9	1,000.0	+30.0	970.0
Electronic Devices	61.2	86.5	106.4	254.3	85.6	340.0	+20.0	320.0
Device Business	255.0	371.3	384.0	1,010.4	329.5	1,340.0	+50.0	1,290.0
Sub Total	658.3	789.2	868.7	2,316.3	813.6	3,130.0	+170.0	2,960.0
Adjustments	-50.4	-55.1	-53.4	-159.1	-70.8	-230.0	+30.0	-260.0
Total	607.9	734.1	815.2	2,157.2	742.7	2,900.0	+200.0	2,700.0

SHARP

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

Operating Income by Product Group Fiscal 2013 Full Year

	FY2013						Difference from Previous Forecast	FY2013
								Full Year Previous Forecast
	1Q	2Q	3Q	1Q to 3Q Accumulated Total	4Q Revised Forecast	Full Year Revised Forecast		
Digital Information Equipment	-1.3 (-0.9%)	2.2 (1.3%)	8.4 (3.9%)	9.3 (1.7%)	-1.3 (-0.8%)	8.0 (1.1%)	+3.0	5.0 (0.7%)
Health and Environmental Equipment	6.4 (7.8%)	3.2 (4.2%)	5.6 (6.9%)	15.3 (6.3%)	4.6 (5.9%)	20.0 (6.3%)	0.0	20.0 (6.3%)
Solar Cells	6.8 (8.1%)	3.0 (3.7%)	5.9 (5.5%)	15.8 (5.7%)	8.1 (5.3%)	24.0 (5.6%)	+11.0	13.0 (4.2%)
Business Solutions	7.5 (9.8%)	8.3 (10.3%)	6.1 (8.0%)	22.0 (9.4%)	5.9 (8.0%)	28.0 (9.0%)	+6.0	22.0 (7.1%)
Product Business	19.4 (4.8%)	16.8 (4.0%)	26.2 (5.4%)	62.6 (4.8%)	17.3 (3.6%)	80.0 (4.5%)	+20.0	60.0 (3.6%)
LCDs	-9.5 (-4.9%)	18.1 (6.4%)	26.0 (9.4%)	34.6 (4.6%)	5.3 (2.2%)	40.0 (4.0%)	+10.0	30.0 (3.1%)
Electronic Devices	0.1 (0.2%)	5.1 (5.9%)	4.2 (4.0%)	9.4 (3.7%)	2.5 (3.0%)	12.0 (3.5%)	0.0	12.0 (3.8%)
Device Business	-9.3 (-3.7%)	23.3 (6.3%)	30.2 (7.9%)	44.1 (4.4%)	7.8 (2.4%)	52.0 (3.9%)	+10.0	42.0 (3.3%)
Sub Total	10.0 (1.5%)	40.1 (5.1%)	56.4 (6.5%)	106.7 (4.6%)	25.2 (3.1%)	132.0 (4.2%)	+30.0	102.0 (3.4%)
Adjustments	-7.0	-9.3	-8.8	-25.2	-6.7	-32.0	-10.0	-22.0
Total	3.0 (0.5%)	30.8 (4.2%)	47.6 (5.8%)	81.4 (3.8%)	18.5 (2.5%)	100.0 (3.4%)	+20.0	80.0 (3.0%)

SHARP

*The percentage figures noted in brackets show operating margin **26**

SHARP