Consolidated Financial Results for the Year Ended March 31, 2016

May 12, 2016

SHARP CORPORATION

Stock exchange listings:	Tokyo
Code number:	6753
URL:	http://www.sharp.co.jp/
Representative:	Kozo Takahashi, President & Chief Executive Officer
Contact person:	Kohji Aoyama, Vice President, Head of Accounting Unit, Accounting and Finance Group Tel. +81 6 6621 1221

Scheduled date of the Ordinary General Meeting of Shareholders:	June 23, 2016
Scheduled dividend payment date:	-
Supplementary material:	Yes
Financial results meeting:	Yes (targeted at institutional investors and analysts)

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

1. Results for the Year Ended March 31, 2016

(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 Loss	Percent Change	Loss attributable to owners of parent	Percent Change
Year Ended March 31, 2016	2,461,589	-11.7%	(161,967)	-	(255,972)	-
Year Ended March 31, 2015	2,786,256	-4.8%	(48,065)	-	(222,347)	-

[Reference] Comprehensive income (loss) : March 31, 2016 ; (296,714) million yen — %
March 31, 2015 ; (161,061) million yen — %

	Net Loss per Share (Yen)	Fully Diluted Net Income per Share (Yen)	Net Loss to Equity	Operating Loss to Net Sales
Year Ended March 31, 2016	(154.64)	-	-	-6.6%
Year Ended March 31, 2015	(131.51)	-	-197.4%	-1.7%

(2) Financial Position

Millions of Yen

	Total Assets	Net Assets	Equity Ratio	Net Assets per Share（Yen)
As of March 31, 2016	1,570,672	(31,211)	-2.7%	-161.79
As of March 31, 2015	1,961,909	44,515	1.5%	17.84

[Reference] Equity: March 31, 2016 ; (43,050) million yen
March 31, 2015 ; 30,166 million yen

(3) Cash Flows

	Cash Flows from Operating Activities	Cash Flows from Investing Activities	Cash Flows from Financing Activities	Cash and Cash Equivalents at End of Year
Year Ended March 31, 2016	(18,866)	(40,513)	(15,360)	149,533
Year Ended March 31, 2015	17,339	(16,043)	(136,090)	232,211

2. Dividends

	Dividends per Share (Yen)					Total Dividend Payment (Millions of Yen)	Pay-out Ratio (Consolidated)	Dividend to Net Assets (Consolidated)
	1st Quarter	2nd Quarter	3rd Quarter	Year-End	Annual			
Year Ended March 31, 2015	-	0.00	-	0.00	0.00	0	-	-
Year Ended March 31, 2016	-	0.00	-	0.00	0.00	0	-	-
Year Ending March 31, 2017 (Forecast)	-	0.00	-	0.00	0.00		-	

Note1: Dividends noted above are on common shares. As for the status of dividends for Class Shares (unlisted) with different rights from those of common shares of Sharp Corporation, please see "(Reference) Dividends on Class Shares."

3. Forecast of Financial Results for the Fiscal Year Ending March 31, 2017

Forecast for year ending March 31, 2017 is currently unable to estimate considering the synergy effect of the strategic alliance with Hon Hai Group. Sharp will announce it once the agreement is closed.

4. Other Information

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

Excluded : 4 companies

Sharp Technical Components (Wuxi) Co., Ltd.
Sharp Glovision Inc.
Sharp Electronica Mexico S.A. de C.V.
Sharp Niigata Electronics Corporation

(2) Changes in accounting policies and accounting estimates, and restatement

1. Changes in accounting policies arising from revision of accounting standards: Yes
2. Changes arising from other factors: None
3. Changes in accounting estimates: Yes
4. Restatement: None

(3) Number of shares outstanding (common shares)

1. Number of shares outstanding (including treasury stock) as of March 31, 2016 ;	1,701,214,887 shares
as of March 31, 2015 ;	1,701,214,887 shares
2. Number of shares of treasury stock as of March 31, 2016 ;	10,536,390 shares
as of March 31, 2015 ;	10,480,945 shares
3. Average number of shares outstanding during the year ended March 31, 2016 ;	1,690,699,765 shares
during the year ended March 31, 2015 ;	1,690,750,319 shares

Notes:

1. This financial release is not subject to audit procedures based on the Financial Instruments and Exchange Law in Japan. At the time of disclosure, audit procedures of financial statements based on the Financial Instruments and Exchange Law have not been completed.
2. As stated in "3. Forecast of Financial Results for the Fiscal Year Ending March 31, 2017", the financial forecast is not annouced this time.
3. Sharp will hold a financial results meeting on May 12, 2016. Financial materials distributed at the meeting will be posted on its website immediately after the meeting.
4. The accompanying consolidated financial statements are a translation of the consolidated financial statements of Sharp, which were prepared in accordance with accounting principles and practices generally accepted in Japan. In preparing the accompanying consolidated financial statements, certain reclassifications have been made in the consolidated financial statements issued domestically, in order to present them in a form which is more familiar to readers outside Japan.

(Reference) Dividends on Class Shares

The following shows breakdown of dividends per share on Class Shares with different rights from those of common shares.

Class A Shares	Dividends per Share (Yen)				
	1st Quarter	2nd Quarter	3rd Quarter	Year-End	Annual
Year Ended March 31, 2015	-	-	-	-	-
Year Ended March 31, 2016	-	0.00	-	0.00	0.00
Year Ending March 31, 2017 (Forecast)	-	-	-	-	-

Class B Shares	Dividends per Share (Yen)				
	1st Quarter	2nd Quarter	3rd Quarter	Year-End	Annual
Year Ended March 31, 2015	-	-	-	-	-
Year Ended March 31, 2016	-	0.00	-	0.00	0.00
Year Ending March 31, 2017 (Forecast)	-	-	-	-	-

Notes:

1. Number of Class A Share issued are 200,000 shares. Dividends is none for the year end, as there are no distributable amounts. In accordance to the acummulation clause defined in the Company's Articles of Incorporation, the amount will be accumulated to subsequent periods (after year ending March 31, 2017).
   The amount is 4,158 millon yen.
2. Number of Class B Share issued are 25,000 shares. Dividends is none for the year end, as there are no distributable amounts. In accordance to the acummulation clause defined the Company's Articles of Incorporation, the amount will be accumulated to subsequent periods (after year ending March 31, 2017).
   The amount is 1,319 millon yen. Class B Shares are to be acquired by the call option based on the Company's Articles of Incorporation. Upon acquisition, it will be issued to the Class B share holders as amount equal to Class B accumulated unpaid dividends (the amount to be calculated in accordance with the terms of the Articles of Incorporation of the Company).
3. The amount of dividend per share for the year ending March 31, 2017, has not been decided at the time of announcement.

1. Financial Results

(1) Analysis of financial results

i. Financial results for fiscal 2015

During the fiscal 2015, the economy of Japan is heading towards a modest recovery, where improvements were seen in employment situation and capital investments, although import and export remain unchanged. In the overseas, despite the Chinese lower economic growth, overall such as U.S. and EU economies are gradually on the way to recovery.

Under these circumstances, Sharp Group has been taking initiative to strengthen the sales by showing uniqueness in creating such products as, “AQUOS 4K NEXT” *1 LCD TVs, Electric waterless cookware “Healsio Hot Cook” *2 , the only-one technology equipped IGZO LCDs*3, and the DC air conditioners*4. In addition, the Group has proceeded the development of innovative robot smartphone “RoBoHoN” *5 and the mosquito-catching air purifier*6, and started mass production of the in-cell type touch displays. *7 Moreover, Sharp has executed three key strategies of the “Medium-Term Management Plan for fiscal 2015 through 2017,” ― 1. Restructure business portfolio 2. Reduce fixed costs 3. Reorganization and strengthen corporate/governance systems ― in order to establish a stable business base.

Sharp Group’s net sales of the fiscal 2015 has ended as 2,461.5 billion yen (down 11.7% year on year), due to sales decline in Consumer Electronics, Energy Solutions and Display Devices. Operating loss resulted as 161.9 billion yen (48.0 billion yen operating loss in the previous year), and loss attributable owners of parent was 255.9 billion yen (222.3 billion yen loss attributable owners of parent in the previous year), as an effect from the Consumer Electronics and Display Device business downturn.

On the funding side, Sharp Corporation issued preferred shares of 225.0 billion yen in total in June 2015, to strengthen its capital to ensure the implementation of the Medium-Term Management Plan, and to secure investment funds for growing businesses.

The sales status of each business segment in fiscal 2015 are as follows. The sales includes internal sales and transactions.

1. **Consumer Electronics**
   Sales resulted as 810.7 billion yen, down 17.5% year on year, due to the sales decline in LCD TVs, mobile phones and air purifiers.

2. **Energy Solutions**
   Sales resulted as 156.8 billion yen, down 42.1% year on year due to sales decline for solar cells.

3. **Business Solutions**
   Sales resulted as 355.1 billion yen, up 3.5% year on year, led by the expansion of overseas color MFP sales, despite the price fall situation.

4. **Electronic Components and Devices**
   Sales resulted as 490.0 billion yen, up 5.0% year on year, led by the expansion of camera module sales.

5. **Display Devices**
   Sales resulted as 771.5 billion yen, down 14.9% year on year, due to the decline in large-size LCD sales for TVs and small- and medium-size LCD sales for Chinese smartphone business.

ii. Forecast for fiscal 2016

As a future outlook, it is expected that the Japanese economy will continue its steady recovery, as the effect of employment situation improvement, an increase in capital investments and supports of various economic policies. For overseas, overall economy is towards steady recovery, although necessary to take notice of the effects of the U.S. monetary policy, market movements of China and Asian emerging countries, as well as movements in resource price and foreign exchanges, and geopolitical issues.

Under such circumstances, Sharp Group has announced a strategic alliance with Hon Hai Group, to accomplish the management reconstruction.

As for finical forecast for year ending March 31, 2017 is currently unable to estimate considering the synergy effect of the strategic alliance with Hon Hai Group.

*1 4K LCD TVs with 8K resolution, employing four primary color technology.
*2 Industry's first electric waterless cookware, which allows auto cooking, retaining nutrients with steam circulation and auto stirring.
*3 This display incorporates transparent oxide semiconductor.
*4 Industry's first (as of November 27, 2015) DC hybrid air conditioner realizing energy saving by combining with Sharp's cloud storage battery, minimizing the conversion loss between AC power and DC power.
*5 A small and easily portable robot-shaped phone. http://www.sharp-world.com/corporate/news/160414.html
*6 World's first air purifier with a mosquito-catching function by effective steps taking advantage of the mosquito's habits. It uses no chemicals, by catching the mosquito on a sticky sheet attached to the Plasmacluster air purifier.
https://sharp.com.sg/mosquitocatcher/index.html
*7 Touch sensor function is built into the LCD. For more details, please see "Sharp Begins Mass-Production of In-Cell Type Touch Displays for Smartphones" announced on June 17, 2015.
http://www.sharp-world.com/corporate/news/150617.html

(2) Analysis of financial position

Total assets as of March 31, 2016, were 1,570.6 billion yen, down 391.2 billion yen from March 31, 2015. This was mainly due to decrease in notes and accounts receivables as well as inventories. Plant and equipment, less accumulated depreciation were 604.6 billion yen, down 57.9 billion yen as a result of depreciation. On the other hand, the total liabilities were 1,601.8 billion yen, down 315.5 billion yen from March 31, 2015, due to the decrease in short-term borrowing and notes and accounts payables. Net assets were negative 31.2 billion yen, down 75.7 billion yen, due to loss attributable to owners of parent and in addition the foreign currency translation adjustments and remeasurements of defined benefit plans, despite the issuance of preferred shares.

Regarding cash flows, net cash used in operating activities was 18.8 billion yen, and net cash used in investing activities was 40.5 billion yen. Net cash used in financing activities was 15.3 billion yen. As a result, cash and cash equivalents at the end of the period were 149.5 billion yen, a decrease of 82.6 billion yen from March 31, 2015.

(3) Basic policy on distribution of earnings and dividends for fiscal 2015/2016

Sharp Corporation considers distributing profits to shareholders to be one of management's top priorities. While maintaining consistently stable dividend pay-outs, and while carefully considering our consolidated business performance, financial situation and future business development in a comprehensive manner, we will implement a set of measures to return profits to our shareholders from a long-term perspective.

For fiscal 2015, we do not plan to pay a dividend, due to recording a net loss and loss of retained earnings carried forward in non-consolidated financial statements.

For fiscal 2016 as well, we regrettably do not plan to pay a dividend, reflecting the current financial situation.

(4) Material events related to the going concern assumption

For the consolidated fiscal year, Sharp Group ("the Group") again recorded an operating loss and a loss attributable to owners of parent. As a result, the Group experienced a capital deficit on a non-consolidated and consolidated basis and significant negative cash flows from operations. The syndicated loan agreements, originally due March 31, 2016, was extended on March 30, 2016. However, as of the last day of the consolidated fiscal year, this extension was only for a period of one month (due date April 30, 2016). Further, as the Group has fallen into a capital deficit on both a non-consolidated and consolidated basis, the Group is in violation of the financial covenants of the syndicated loan agreements. These circumstances represent that there exist events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. Sharp Corporation believes that by implementing the various measures described below, it will not have a material uncertainty as to its ability to continue as a going concern, and that no further disclosure under "(5) Going Concern Assumption" on page 17.

In response to this situation, and as described under Significant Subsequent Events, the Sharp Corporation Board of Directors resolved and made subsequent modified resolutions at meetings held on February 25 and March 30, 2016 to issue new shares of Sharp Corporation stock to Hon Hai Precision Industry Co., Ltd. and others. The resolutions called for the issuance of new shares via third-party allotment in the total amount of approximately 388.8 billion yen, and the stock transfer agreement was executed on April 2, 2016.

Sharp Corporation plans to use the capital acquired through the allocation of new shares to third parties for capital investment toward the growth of each business division. Capital will also be used for expenses (working capital) to strengthen the Sharp brand and to expand into new business fields. In this way, Sharp Corporation will be able to apply capital to growth investments in a manner limited heretofore due to recent financial conditions. At the same time, Sharp Corporation will build a stronger management foundation, allowing the company to restructure (in planning stages at present) and make progress in other areas.

As described under Significant Subsequent Events, Sharp Corporation's main banks, including Mizuho Bank, Ltd. and The Bank of Tokyo-Mitsubishi UFJ, Ltd., agreed on April 26, 2016 to renew the syndicated loan agreement scheduled due on April 30, 2016.

While Sharp Corporation has fallen into a capital deficit on both a non-consolidated and consolidated basis, the company has received informal notice from its main financial institutions that they are not considering a demand for accelerated payments.

Through the support and implementation of the various measures described above, Sharp Corporation is to avoid the risk of an insufficiency of funds and achieved a stable financial footing.

2. Company Group Situation

Sharp Group mainly consists of by Sharp Corporation, 78 consolidated subsidiaries and 20 affiliates accounted for using equity method. The major businesses are the manufacture and sale of electronic communication equipment, electrical equipment and electronic application equipment and electronic components.

The virtual company classification and the "Segment information" classification are basically the same. Major products and major entities by virtual company are as follows.

Virtual Company	Main Products	Major Entities
Consumer Electronics	LCD color televisions, Blu-ray, Disc recorders, mobile phones, tablets, electronic dictionaries, calculators, facsimiles, telephones, refrigerators, superheated steam ovens, microwave ovens, small cooking appliances, air conditioners, washing machines, vacuum cleaners, air purifiers, electric fans, dehumidifiers, humidifiers, electric heaters, Plasmacluster Ion generators, beauty appliances, network control units	Sharp Corporation, Sharp Electronics Marketing Corporation, Sharp Engineering Corporation, Sharp Electronics Corporation, Sharp Appliances (Thailand) Ltd., Nanjing Sharp Electronics Co., Ltd.
Energy Solutions	Solar cells, storage battery	Sharp Corporation, Sharp Energy Solutions Corporation, Sharp Electronics (Europe) Limited
Business Solutions	POS systems, commercial projectors, electronic cash registers, information displays, digital MFPs (multi-function printers), options and consumables, software, FA equipment, ultrasonic cleaners	Sharp Corporation, Sharp Manufacturing Systems Corporation, Sharp Business Solutions Corporation, Sharp Electronics Corporation, Sharp Electronics (Europe) Limited, Sharp Office Equipments (Changshu) Co., Ltd.

Electronic Components and Devices	Camera modules, CCD/CMOS imagers, LSIs for LCDs, microprocessors, analog ICs, high-frequency devices, network components, laser diodes, LEDs, optical sensors, components for optical communications, switching power supplies	Sharp Corporation, Sharp Electronics Corporation, Wuxi Sharp Electronic Components Co., Ltd., Sharp Electronics (Shanghai) Co., Ltd.
Display Devices	Amorphous silicon LCD modules, IGZO LCD modules, CG-Silicon LCD modules	Sharp Corporation, Sharp Electronics Corporation, Wuxi Sharp Electronic Components Co., Ltd., Nanjing Sharp Electronics Co., Ltd., Sharp Electronics (Shanghai) Co., Ltd.

3. Management Policy

(1) Basic management policy

The Sharp Group's business creed is based on the principles of "Sincerity and Creativity." Our aim is to inspire all our daily work with these principles, so that we can earn the appreciation of people everywhere, and make a valuable contribution to society. Our corporate philosophy expresses our desire to grow in mutual prosperity with all stakeholders in the business, including shareholders, business partners, and employees.

(2) Mid- and Long-Term Business Strategy and Issues the Company Needs to Face

Sharp Group has been executing a Medium-Term Management Plan announced on May 2015, to promote the construction of a stable revenue base by carrying out the fundamental structural reforms consisting of three key strategies: 1. Restructure business portfolio; 2. Reduce fixed costs; 3. Reorganize and strengthen corporate/governance systems.

However, on October 26, 2015, Sharp Corporation made a downward revision in the net sales and operating income of fiscal year financial forecast for year ended March 31, 2016. This resulted from the decrease in sales volume and price down impact far beyond the assumption for smartphones displays for Chinese market and other factors. Furthermore, in the third quarter financial release, 108.3 billion yen of loss attributable to owners of parent was recorded as a cumulative from the first to third quarter. In accordance to this, equity ratio which indicates the healthiness of financial status became 8.6% at the end of the third quarter, from 12.3% at the end of June 2015.

In response to this situation, Sharp Group has made a strategic alliance with Hon Hai Precision Ind. Co., Ltd. Accordingly, on April 2, 2016, the Group has signed a share subscription agreement with allottees regarding the issuance of new shares (common shares and Class C shares)* through third-party allotment to the Hon Hai Precision Industry Co., Ltd., as well as Foxconn (Far East) Limited fully owned subsidiary of Hon Hai Precision Industry Co., Ltd., Foxconn Technology Pte. Ltd. and SIO International Holdings Limited

* The issuance of new shares will need resolutions in the 122nd Annual General Meeting of Shareholders etc.

4. Basic Approach for Selection of Accounting Standards

Sharp applies Japanese accounting standard, to secure the comparability over different periods of its consolidated financial statements.

We intend to monitor the trend of IFRS going forward.

5. Consolidated Financial Statements

(1) Consolidated Balance Sheets

Millions of Yen

	As of March 31, 2015	As of March 31, 2016
ASSETS		
Current Assets:		
Cash, time deposits and restricted cash	258,493	275,399
Notes and accounts receivable, less allowance for doubtful receivables	605,671	430,033
Inventories	338,300	184,313
Other current assets	96,731	76,214
Total current assets	1,299,195	965,959
Plant and Equipment, Less Accumulated Depreciation	400,592	351,205
Investments and Other Assets	262,039	253,450
Deferred Assets	83	58
Total assets	1,961,909	1,570,672
LIABILITIES		
Current Liabilities:		
Short-term borrowings, including current portion of long-term debt	848,947	638,756
Notes and accounts payable	468,020	312,630
Other current liabilities	369,987	423,476
Total current liabilities	1,686,954	1,374,862
Long-term Liabilities	230,440	227,021
Total liabilities	1,917,394	1,601,883
NET ASSETS		
Owners' Equity:		
Capital stock	121,885	500
Capital surplus	95,945	222,457
Retained earnings	(87,448)	(123,644)
Less cost of treasury stock	(13,893)	(13,899)
Total owners' equity	116,489	85,414
Accumulated Other Comprehensive Income:		
Net unrealized holding gains (losses) on securities	10,569	11,634
Deferred gains (losses) on hedges	780	(843)
Foreign currency translation adjustments	(18,106)	(38,456)
Remeasurements of defined benefit plans	(79,566)	(100,799)
Total accumulated other comprehensive income	(86,323)	(128,464)
Non-controlling Interests	14,349	11,839
Total net assets	44,515	(31,211)
Total liabilities and net assets	1,961,909	1,570,672

(2) Consolidated Statements of Income / Consolidated Statements of Comprehensive Income

- Consolidated Statements of Income

Millions of Yen

	Year Ended March 31, 2015	Year Ended March 31, 2016
Net Sales	2,786,256	2,461,589
Cost of Sales	2,397,749	2,228,277
Gross profit	388,507	233,312
Selling, General and Administrative Expenses	436,572	395,279
Operating loss	(48,065)	(161,967)
Other Income (Expenses)		
Interest income	1,669	912
Rent income on noncurrent assets	4,288	3,808
Foreign exchange gains	—	4,981
Equity in earnings of affiliates	5,536	1,493
Gain on sales of noncurrent assets	11,119	15,954
Gain on sales of investment securities	22,946	1,939
Reversal of provision for loss on litigation	19,234	2,046
Receipt of settlement package	—	8,490
Interest expense	(23,182)	(18,721)
Loss on sales and retirement of noncurrent assets	(2,795)	(1,990)
Impairment loss	(104,015)	(24,748)
Loss on valuation of investment securities	(622)	(125)
Loss on sales of investment securities	(414)	—
Restructuring charges	(21,239)	(38,165)
Provision for loss on litigation	(2,140)	(2,038)
Settlement	(14,382)	—
Loss on liquidation of subsidiaries and affiliates	—	(25)
Other, net	(36,772)	(22,966)
	(140,769)	(69,155)
Loss before income taxes	(188,834)	(231,122)
Income Taxes		
Current	27,179	18,401
Deferred	4,234	3,663
	31,413	22,064
Net Loss	(220,247)	(253,186)
Profit attributable to non-controlling interests	2,100	2,786
Loss attributable to owners of parent	(222,347)	(255,972)

- Consolidated Statements of Comprehensive Income

Millions of Yen

	Year Ended March 31, 2015	Year Ended March 31, 2016
Net Loss	(220,247)	(253,186)
Other Comprehensive Income:		
Net unrealized holding gains (losses) on securities	3,715	1,066
Deferred gains (losses) on hedges	941	(1,623)
Foreign currency translation adjustments	24,293	(21,393)
Remeasurements of defined benefit plans	29,776	(21,227)
Share of other comprehensive income of affiliates accounted for using equity method	461	(351)
Total other comprehensive income	59,186	(43,528)
Comprehensive Loss	(161,061)	(296,714)
Comprehensive income attributable to non-controlling interests	3,715	1,400
Comprehensive loss attributable to owners of parent	(164,776)	(298,114)

(3) Consolidated Statements of Changes in Net Assets

Year Ended March 31, 2015

Millions of Yen

	Owners' Equity				
	Capital stock	Capital surplus	Retained earnings	Less cost of treasury stock	Total owners' equity
Balance at April 1, 2014	121,885	95,950	135,096	(13,889)	339,042
Cumulative effect of change in accounting policies			(197)		(197)
Balance at April 1, 2014, reflecting change in accounting policies	121,885	95,950	134,899	(13,889)	338,845
Changes of items during the period					
Loss attributable to owners of parent			(222,347)		(222,347)
Purchase of treasury stock				(10)	(10)
Disposal of treasury stock		(5)		6	1
Net changes of items other than owners' equity					
Total changes of items during the period	-	(5)	(222,347)	(4)	(222,356)
Balance at March 31, 2015	121,885	95,945	(87,448)	(13,893)	116,489

	Accumulated Other Comprehensive Income					Non-controlling Interest	Total Net Assets
	Net unrealized holding gains (losses) on securities	Deferred gains (losses) on hedges	Foreign currency translation adjustments	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at April 1, 2014	6,851	(160)	(41,206)	(109,367)	(143,882)	12,013	207,173
Cumulative effect of change in accounting policies							(197)
Balance at April 1, 2014, reflecting change in accounting policies	6,851	(160)	(41,206)	(109,367)	(143,882)	12,013	206,976
Changes of items during the period							
Loss attributable to owners of parent							(222,347)
Purchase of treasury stock							(10)
Disposal of treasury stock							1
Net changes of items other than owners' equity	3,718	940	23,100	29,801	57,559	2,336	59,895
Total changes of items during the period	3,718	940	23,100	29,801	57,559	2,336	(162,461)
Balance at March 31, 2015	10,569	780	(18,106)	(79,566)	(86,323)	14,349	44,515

Year Ended March 31, 2016

Millions of Yen

	Owners' Equity				
	Capital stock	Capital surplus	Retained earnings	Less cost of treasury stock	Total owners' equity
Balance at April 1, 2015	121,885	95,945	(87,448)	(13,893)	116,489
Changes of items during the period					
Issuance of new shares	112,500	112,500			225,000
Transfer to capital surplus from capital stock	(233,885)	233,855			-
Deficit disposition		(219,781)	219,781		-
Loss attributable to owners of parent			(255,972)		(255,972)
Changes in application range of equity method			(5)		(5)
Purchase of shares of consolidated subsidiaries		(90)			(90)
Purchase of treasury stock				(9)	(9)
Disposal of treasury stock		(2)		3	1
Net changes of items other than owners' equity					
Total changes of items during the period	(121,385)	126,512	(36,196)	(6)	(31,075)
Balance at March 31, 2016	500	222,457	(123,644)	(13,899)	85,414

	Accumulated Other Comprehensive Income					Non-controlling Interest	Total Net Assets
	Net unrealized holding gains (losses) on securities	Deferred gains (losses) on hedges	Foreign currency translation adjustments	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at April 1, 2015	10,569	780	(18,106)	(79,566)	(86,323)	14,349	44,515
Changes of items during the period							
Issuance of new shares							225,000
Transfer to capital surplus from capital stock							-
Deficit disposition							-
Loss attributable to owners of parent							(255,972)
Changes in application range of equity method							(5)
Purchase of shares of consolidated subsidiaries							(90)
Purchase of treasury stock							(9)
Disposal of treasury stock							1
Net changes of items other than owners' equity	1,065	(1,623)	(20,350)	(21,333)	(42,141)	(2,510)	(44,651)
Total changes of items during the period	1,065	(1,623)	(20,350)	(21,333)	(42,141)	(2,510)	(75,726)
Balance at March 31, 2016	11,634	(843)	(38,456)	(100,799)	(128,464)	11,839	(31,211)

(4) Consolidated Statements of Cash Flows

Millions of Yen

	Year Ended March 31, 2015	Year Ended March 31, 2016
Cash Flows from Operating Activities:		
Income (loss) before income taxes	(188,834)	(231,122)
adjustments to reconcile income (loss) before income taxes to net cash (used in) provided by operating activities－		
Depreciation and amortization of properties and intangibles	109,324	76,724
Interest and dividend income	(2,870)	(1,877)
Interest expenses	23,182	18,721
Gain on sales and retirement of noncurrent assets, net	(8,324)	(13,964)
Impairment loss	104,015	24,748
Gain on sales of investment securities, net	(22,532)	(1,939)
Restructuring charges	21,239	38,165
Provision for loss on litigation	2,140	2,038
Reversal of provision for loss on litigation	(19,234)	(2,046)
Settlement	14,382	－
Receipt of settlement package	－	(8,490)
Decrease in notes and accounts receivable-trade	58,770	98,449
Decrease (increase) in inventories	(30,858)	137,503
Decrease (increase) in notes and accounts receivable-other	(23,719)	36,538
(Decrease) increase in payables	19,136	(121,230)
Increase in valuation reserve for inventory purchase commitments	54,655	2,469
Increase (decrease) in provision for sales promotion expenses	－	28,352
Other, net	(20,443)	(45,323)
Total	90,029	37,716
Interest and dividends received	4,371	2,978
Interest paid	(23,221)	(18,770)
Special extra retirement payments paid	－	(22,566)
Settlement package received	－	8,145
Settlement package paid	(2,585)	(2,983)
Settlement paid	(13,202)	－
Income taxes paid	(38,053)	(23,386)
Net cash (used in) provided by operating activities	17,339	(18,866)
Cash Flows from Investing Activities:		
Purchase of time deposits	(22,961)	(26,241)
Proceeds from redemption of time deposits	20,161	22,394
Payments for sales of investments in subsidiaries resulting in change in scope of consolidation	(2,437)	－
Proceeds from sales of investments in subsidiaries resulting in change in scope of consolidation	17,633	3,789
Acquisitions of plant and equipment	(49,710)	(46,364)
Proceeds from sales of plant and equipment	18,072	24,183
Proceeds from sales of investment securities	30,326	724
Other, net	(27,127)	(18,998)
Net cash used in investing activities	(16,043)	(40,513)
Cash Flows from Financing Activities:		
Proceeds from deposits received	－	100,000
Deposits of restricted withdrawals and restricted cash	－	(100,000)
Deposits of restricted cash	(1,999)	－
Proceeds from withdrawal of restricted cash	3,442	3,843
(Decrease) increase in short-term borrowings, net	6,453	(176,937)
Proceeds from long-term debt	5,282	4,135
Repayments of long-term debt	(148,646)	(67,499)
Proceeds from issuance of class shares	－	224,606
Other, net	(622)	(3,508)
Net cash used in financing activities	(136,090)	(15,360)
Effect of Exchange Rate Changes on Cash and Cash Equivalents	16,371	(7,939)
Net Decrease in Cash and Cash Equivalents	(118,423)	(82,678)
Cash and Cash Equivalents at Beginning of Year	350,634	232,211
Cash and Cash Equivalents at End of Year	232,211	149,533

(5) Going Concern Assumption

None

(6) Important Matters on Presenting Consolidated Financial Statements

Matters Related to Accounting Procedure Standards

1) Valuation Standards and Methods for Securities

Other Securities

-Securities with available fair market values:

Primarily, stated at fair market value based on average of market price during the last month of the fiscal year (valuation differences are accounted for using the direct net asset adjustment method and the cost of securities sold is mainly calculated using the gross average cost method).

-Securities with no available fair market value:

Primarily, stated at gross average cost.

2) Valuation Standards and Methods for Inventories

Inventories held by Sharp Corporation ("the Company") and its domestic consolidated subsidiaries are primarily stated at moving average cost (for the book value of inventories on the balance sheets, by writing inventories down based on their decrease in profitability of assets).

For overseas consolidated subsidiaries, inventories are stated at the lower of moving average cost or market.

3) Method of Depreciation for Plant and Equipment (Except for Lease Assets)

For the Company and its domestic consolidated subsidiaries, depreciation is based on the declining-balance method, except for machinery and equipment at LCD plants in Mie and Kameyama, and buildings (excluding attached structure) acquired on and after April 1, 1998, which are depreciated on the straight-line method.

Overseas consolidated subsidiaries use the straight-line method.

4) Method of Amortization for Intangible Assets (Except for Lease Assets)

Amortization is based on the straight-line method.

Software used by the Company is amortized by the straight-line method over an estimated useful life of principally five years, however, software embedded in products is amortized over the forecasted sales quantity.

5) Method of Depreciation for Lease Assets

Finance leases that do not transfer ownership

Depreciation is based on the straight-line method that takes the lease period as the depreciable life and the residual value as zero.

Regarding finance leases of the Company and its domestic consolidated subsidiaries that do not transfer ownership, for which the starting date for the lease transaction is prior to March 31, 2008, lease payments are recognized as expenses.

6) Method of Amortization for Deferred Assets

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

7) Method of Appropriation for Allowance for Doubtful Receivables

The estimated amounts of allowance for general receivables are primarily determined based on the past loss experience. For particular receivables, including those from debtors at risk of bankruptcy, the allowance is provided for individually estimated unrecoverable amounts. This procedure is made against possible credit loss.

8) Method of Appropriation for Accrued Bonuses

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

9) Method of Appropriation for Warranty Reserve

Estimated amounts of warranty are accrued based on the past experience. This procedure is made against expense for after-sales service within the warranty period.

10) Method of Appropriation for Provision for Sales Promotion Expense

The reserve for payment of sales promotion expenses is set aside based on estimated amounts to be paid be agencies and dealers in the subsequent period.

Provision for sales promotion expense is recorded from end of year ended March 31, 2016, as there may be a high possibility of payment to be required for sales promotion expenses to agencies and dealer. This is due to the change in transaction policies etc. moving forward as a result of a significant decline in sales during the fourth quarter in the Company's China sales subsidiary.

11) Method of Appropriation for Provision for Loss on Litigation

Out of possible future loss on litigation, the amount to be considered necessary is estimated.

12) Method of Appropriation for Restructuring Charges

The estimated amounts of allowance for restructuring charges are set aside. This procedure is made against expense for possible future loss due to structural reform.

13) Method of Appropriation for valuation reserve for inventory purchase commitments

Regarding long-term contracts for purchasing raw materials over a long time frame, the amounts of difference between contracted price and current market price are set aside as allowance for contract loss. This procedure is made against future possible loss in case the market price of materials declines significantly from the contracted price and fulfillment of the contract causes a loss in production and sale business.

14) Accounting Policy for Retirement Benefits

The estimated amount of all retirement benefit to be paid at future retirement dates is allocated to each service year based mainly on benefit formula.

Past service costs are amortized primarily over the average of the estimated remaining service lives (14 years).

Actuarial losses are recognized primarily in expenses over the average of estimated remaining services lives (14 years) commencing with the following consolidated fiscal year.

15) Method and Period of Amortization for Goodwill

Goodwill for which the effective term is possible to be estimated is amortized evenly over the estimated terms, while the other is amortized evenly over 5 years. However, if the amount is minor, the entire amount is amortized during the period of occurrence.

16) Scope of Cash and Cash Equivalents in Consolidated Statements of Cash Flows

Cash and cash equivalents in Consolidated Statements of Cash Flows include cash on hand, deposits on demand placed with banks and highly liquid investments with insignificant risk of changes in value which have maturities of three months or less when purchased.

17) Accounting for Consumption Taxes, etc.

The tax exclusion method is applied.

18) Adoption of Consolidated Tax Return System

The consolidated tax return system is adopted.

(7) Changes in accounting policies and accounting estimates, and restatement

(Changes in accounting policies)

Effective from fiscal 2015, the Company adopted the "Revised Accounting Standard for Business Combinations" (ASBJ Statement No.21 on September 13, 2013, hereinafter "Business Combinations Accounting Standard"), the "Revised Accounting Standard for Consolidated Financial Statements" (ASBJ Statement No.22 on September 13, 2013, hereinafter "Consolidation Accounting Standard"), and the "Revised Accounting Standard for Business Divestitures" (ASBJ Statement No.7 on September 13, 2013, hereinafter "Business Divestitures Accounting Standard"). The Company changed its accounting method to recording the difference arising from changes in equities in its controlled subsidiaries as capital surplus, and to recording expenses relating to acquisition as an expense in consolidated fiscal year in which they are incurred. Also, the Company changed its accounting method to reflecting adjustments to the amount allocated to acquisition cost under provisional accounting treatment in the consolidated fiscal year in which the business combinations become effective. This is applied to the business combinations occurring on or after the beginning of fiscal 2015. In addition, net income was restated and minority interests were restated to non-controlling interests. Consolidated financial statements for the year ended March 31, 2015, were restated to reflect this change.

The Business Combination Accounting Standard and other standards were applied in accordance with the transitional treatment set forth in paragraph 58-2 (4) of the Business Combinations Accounting Standard, paragraph 44-5 (4) of the Consolidation Accounting Standard and paragraph 57-4 (4) of the Business Divestitures Accounting Standard. The Company applied this accounting standard prospectively from the beginning of fiscal 2015.

In consolidated statements of cash flows for fiscal 2015, cash flows of purchase or sales of investments in subsidiaries without change in scope of consolidation were included in cash flows from financing activities, and cash flows of expenses relating to purchase of investments in subsidiaries resulting in change in scope of consolidation, and expenses relating to purchase or sales of investments in subsidiaries without change in scope of consolidation were included in cash flows from operating activities.

This change had an immaterial impact on consolidated financial statements for fiscal 2015.

(Change in accounting estimate)

Historically, Sharp Corporation writes down the book value of inventory on its balance sheet when a certain period of time has passed after the acquisition of the inventory. As a rule, this write-down is performed on a regular basis using a uniform rate. However, considering rapidly declining prices, the slow movement of inventory, and other factors, the company has decided to change the length of time and uniform rate used to write down the book value of inventory. This change more properly reflects the decline in inventory profitability in the company's financial condition and operating results.

As a result, cost of sales for the consolidated fiscal year ended March 31, 2016, has increased by 47,068 million yen, while operating loss and loss before income taxes have increased by the same amount.

(8) Notes to Consolidated Financial Statements

(Segment Information)

1. Outline of reportable segments

Sharp Group's reportable segments are components of the Group whose operating results are regularly reviewed by the Board of Directors to make decisions about resources to be allocated to the segments and assess their performance, for which discrete financial information is available.

In order to realize a quick response and competitive organization against customer needs and changes in the market, the Group adopted a virtual company system based on five business segments on October 1, 2015. Each virtual company develops a comprehensive strategy for the organization, handling products and services under its organization, expanding their business activities.

Hence, the Group is organized by the virtual company based segments. Those five reportable segments are Consumer Electronics, Energy Solution, Business Solutions, Electronic Components and Devices, and Display Devices.

Consumer Electronics, Energy Solutions and Business Solutions involves production and sales of electronic communication equipment, electrical equipment and electronic application equipment. Electronic Components and Devices, and Display Devices involves production and sales/supply of electronic components for other companies or virtual companies within the Group.

Main products in each reportable segment are as follows.

Reportable Segments	Main Products
Consumer Electronics	LCD color televisions, Blu-ray Disc recorders, mobile phones, tablets, electronic dictionaries, calculators, facsimiles, telephones, refrigerators, superheated steam ovens, microwave ovens, small cooking appliances, air conditioners, washing machines, vacuum cleaners, air purifiers, electric fans, dehumidifiers, humidifiers, electric heaters, Plasmacluster Ion generators, beauty appliances, network control units
Energy Solutions	Solar cells, storage battery
Business Solutions	POS systems, electronic cash registers, commercial projectors, information displays, digital MFPs (multi-function printers), options and consumables, software, FA equipment, ultrasonic cleaners

Electronic Components and Devices	Camera modules, CCD/CMOS imagers, LSIs for LCDs,microprocessors, analog ICs, high-frequency devices, network components, laser diodes, LEDs,optical sensors, components for optical communications, switching power supplies
Display Devices	Amorphous silicon LCD modules, IGZO LCD modules, CG-Silicon LCD modules

In the cumulative second quarter, the Group's reportable segments were Product Business and Device Business. However, from the cumulative third quarter, by the adopt of the virtual company system it has changed to five classifications of Consumer Electronics, Energy Solutions, Business Solutions, Electronic Components and Devices, and Display Devices. As major changes, products previously classified as Product Business basically becomes included in Consumer Electronics, Energy Solutions, and Business Solutions. Device Business products basically becomes included in Electronic Components and Devices and Display Devices.

The segment information of the previous fiscal year is described as the five classification under the new segmentation. By the adaption of the virtual company system, net sales to customers and of inter segments of each reportable segment, are summarized by each virtual company. However, since there were no mechanism for calculating these figures for the previous fiscal year and the cumulative second quarter, we have estimated these amounts by calculating totals for the products produced by each company.

2. Measurement of sales and income (loss) by reportable segment

The accounting policies for the reportable segments are basically the same as those described in Important Matters on Presenting Consolidated Financial Statements. Intersegment sales and income (loss) are recognized based on the current market price.

As stated in the "Change in accounting estimates", historically, the Company wrote down the book value of inventory on its balance sheet when a certain period of time has passed after the acquisition of the inventory. As a rule, this write-down is performed on a regular basis using a uniform rate. However, considering rapidly declining prices, the slow movement of inventory, and other factors, the Company has decided to change the length of time and uniform rate used to write down the book value of inventory. This change more properly reflects the decline in inventory profitability in the company's financial condition and operating results.

As a result, the segment losses increased for this fiscal year in comparison to the previous rule by 6,749 million yen for Electronic Components and Devices, and 40,319 million yen for Display Devices.

3. Information regarding sales and income (loss) by reportable segment

Year Ended March 31, 2015

Millions of Yen

Net Sales	
Consumer Electronics	
Customers	982,350
Intersegment	443
Total	982,793
Energy Solutions	
Customers	270,881
Intersegment	(5)
Total	270,876
Business Solutions	
Customers	343,321
Intersegment	12
Total	343,333
Electronic Components and Devices	
Customers	416,707
Intersegment	49,930
Total	466,637
Display Devices	
Customers	772,997
Intersegment	134,146
Total	907,143
Adjustments	(184,526)
The amount presented in Consolidated Statements of Income	2,786,256
Segment Income (Loss)	
Consumer Electronics	19,083
Energy Solutions	(62,679)
Business Solutions	31,301
Electronic Components and Devices	676
Display Devices	594
Adjustments*1	(37,040)
The amount presented in Consolidated Statements of Income*2	(48,065)

Notes: 1. Adjustments of segment income (loss) of (37,040) million yen include elimination of intersegment transactions of 73 million yen and corporate expenses not allocated to each reportable segment of (37,223) million yen. Corporate expenses are mainly attributable to basic R&D expenses and expenses related to parent company’s functional groups.

2. Adjustments were made to reconcile segment income (loss) to operating income presented in Consolidated Statements of Income.

Year Ended March 31, 2016

Millions of Yen

Net Sales	
Consumer Electronics	
Customers	798,314
Intersegment	12,419
Total	810,733
Energy Solutions	
Customers	155,422
Intersegment	1,412
Total	156,834
Business Solutions	
Customers	348,451
Intersegment	6,745
Total	355,196
Electronic Components and Devices	
Customers	458,022
Intersegment	32,007
Total	490,029
Display Devices	
Customers	701,380
Intersegment	70,168
Total	771,548
Adjustments	(122,751)
The amount presented in Consolidated Statements of Income	2,461,589
Segment Income (Loss)	
Consumer Electronics	(21,830)
Energy Solutions	(18,425)
Business Solutions	35,814
Electronic Components and Devices	1,491
Display Devices	(129,173)
Adjustments*1	(29,844)
The amount presented in Consolidated Statements of Income*2	(161,967)

Notes: 1. Adjustments of segment income (loss) of (29,844) million yen include elimination of intersegment transactions of (89) million yen and corporate expenses not allocated to each reportable segment of (29,079) million yen. Corporate expenses are mainly attributable to basic R&D expenses and expenses related to parent company’s functional groups.

2. Adjustments were made to reconcile segment loss to operating loss presented in Consolidated Statements of Income.

(Related information)

Year ended March 31, 2015

1. Information by product/service

Millions of Yen

	LCDs	CCD/CMOS	LCD Color TVs	Others	Total
Sales to Outside Customers	772,997	334,672	370,046	1,308,541	2,786,256

2. Information by region/country

1) Sales

Millions of Yen

Japan	China	Others	Total
968,449	1,140,892	676,915	2,786,256

Note: Sales are classified according to regions or countries where customers are located.

2) Plant and equipment, less accumulated depreciation

Millions of Yen

Japan	China	Others	Total
305,936	48,023	46,633	400,592

Year ended March 31, 2016

1. Information by product/service

Millions of Yen

	LCDs	CCD/CMOS	LCD Color TVs	Others	Total
Sales to Outside Customers	704,018	394,707	284,206	1,078,658	2,461,589

2. Information by region/country

1) Sales

Millions of Yen

Japan	China	Others	Total
750,499	1,085,311	625,779	2,461,589

Note: Sales are classified according to regions or countries where customers are located.

2) Plant and equipment, less accumulated depreciation

Millions of Yen

Japan	China	Others	Total
280,087	37,090	34,028	351,205

(Information regarding impairment loss on noncurrent assets by reportable segment)

Year ended March 31, 2015

Millions of Yen

	Consumer Electronics	Energy Solutions	Business Solutions	Electronic Components and Devices	Display Devices	Elimination	Total
Impairment Loss	7,498	11,094	-	7,646	77,777	-	104,015

Year ended March 31, 2016

Millions of Yen

	Consumer Electronics	Energy Solutions	Business Solutions	Electronic Components and Devices	Display Devices	Elimination	Total
Impairment Loss	3,095	2,762	278	2,251	15,397	965	24,748

(Per Share Information)

Yen

	Year Ended March 31, 2015	Year Ended March 31, 2016
Net assets per share	17.84	(161.79)
Net income (loss) per share	(131.51)	(154.64)
Fully diluted net income (loss) per share	-	-
	Fully diluted net income per share is not presented, because residual securities do not exist.	Fully diluted net income per share is not presented, as net loss per share was recorded despite the exsistence of residual securities.

Notes:

1. Net income (loss) per share was calculated on the following basis.

	Year Ended March 31, 2015	Year Ended March 31, 2016
Loss attributable to owners of parent (millons of yen)	(222,347)	(255,972)
Amounts not allocated to ordinary shares (millions of yen)	-	5,478
Priority dividend amount (millons of yen)	-	(5,478)
Loss attributable to owners of parent (millions of yen)	(222,347)	(261,450)
Average number of ordinary shares outstanding during each year (thousands of shares)	1,690,750	1,690,699
Residual securities which do not dilute net income per share	-	Class A share 200,000 shares Class B share 25,000 shares

(Significant Subsequent Events)

1. Issuance of new shares through third-party allotments

The Company has adopted a resolution and an amending resolution regarding the issuance of new shares (common shares and Class C Shares) through third-party allotment at the Board of Directors meeting held on February 25 and March 30, 2016. Accordingly, the Company has signed a share subscription agreement with the planned allottees regarding the above on April 2, 2016. The overviews of the new share issuance are as follows.

(1) Common shares

(i) Number of new shares to be issued	3,281,950,697 shares
(ii) Issued price	88 yen per share
(iii) Amount of procurement fund	288,811,661,336 yen
(iv) Stated capital	44 yen per share
(v) Offering or allotment method (planned allottees)	Allotted by means of third-party allotment: To Hon Hai Precision Industry Co., Ltd. 1,300,000,000 shares To Foxconn (Far East) Limited 915,550,697 shares To Foxconn Technology Pte. Ltd. 646,400,000 shares To SIO International Holdings Limited 420,000,000 shares
(vi) Schedule of issuance	Ordinary General Meeting of Shareholders : June 23,2016 Payment period : From June 28, 2016 to October 5, 2016
(vii) Others	The payments are subject to the effectiveness of the securities registration statement pursuant to the Financial Instruments and Exchange Act, acquisition of permits, licenses, or the like from relevant authorities of the relevant countries, including permission of notification or the like regarding business combination from competition authorities of the relevant countries, required in order to execute the Capital Increase Through Third-Party Allotment, and an approvals (special resolutions) of the item on the agenda regarding the issuance of common shares of Sharp at the 122nd ordinary general meeting of shareholders of Sharp to be held on June 23, 2016 (the “Ordinary General Meeting of Shareholders”) and the general meeting of class shareholders by holders of the common shares, the general meeting of class shareholders by holders of the Class A Shares, and the general meeting of class shareholders by holders of the Class B Shares (the “General Meeting of Class Shareholders”) to be also held on June 23, 2016.

(2) Class C Shares

(i)	Number of new shares to be issued	11,363,636 shares
(ii)	Issued price	8,800 yen per share
(iii)	Amount of procurement fund	99,999,996,800 yen
(iv)	Stated capital	4,400 yen per share
(v)	Offering or allotment method (planned allottees)	Allotted by means of third-party allotment: To Hon Hai Precision Industry Co., Ltd. 11,363,636 shares
(vi)	Schedule of issuance	Ordinary General Meeting of Shareholders : June 23,2016 Payment period : From June 28, 2016 to October 5, 2016
(vii)	Others	It is prescribed that the payment priority of dividends from surplus and distribution of residual assets for Class C Shares is the same as that for the common shares, and that the amounts of payment of the dividends and distribution are the amounts multiplied by prescribed acquisition ratios. Class C Shares have no voting right. Assignments of Class C Shares are restricted. Class C Shares are subject to call in consideration for common shares. The payments are subject to the effectiveness of the securities registration statement pursuant to the Financial Instruments and Exchange Act, acquisition of permits, licenses, or the like from relevant authorities of the relevant countries, including notifications, permits, or the like regarding business combination from competition authorities of the relevant countries, required in order to execute the Capital Increase Through Third-Party Allotment, and an approvals (special resolutions) of the items on the agenda regarding the issuance of Class C Shares and the revision of the articles of incorporation to be required due to the issuance of the Class C Shares at the Ordinary General Meeting of Shareholders and the General Meetings of Class Shareholders.

(3) Intended use of funds procured

	Intended Use of Proceeds	Amount (millions of yen)	Timing of use as intended
(i)	Upgrading technology and commencement of mass production for the commercialization of OLED business	200,000	July 2016 through June 2019
(ii)	Investment in regard to Display Devices Company for higher definition, improvement of yield rate, R&D of next-era technology, increase in production volume, and rationalization targeted mainly at medium-sized products	60,000	July 2016 through September 2018
(iii)	Investment in regard to Consumer Electronics Company for R&D, dies, and molds to realize a transformation of business model for IoT business expansion, for R&D, dies, and molds to expand the business in emerging countries, for increase in production volume and rationalization	40,000	July 2016 through September 2018
(iv)	Investment in regard to Energy Solutions Company for R&D and expansion of sales distribution to realize a transformation from existing business to solution business	8,000	July 2016 through September 2018
(v)	Investment in regard to Electronic Components and Devices Company for R&D, expansion of sales distribution, increase in production volume, and rationalization targeted for growing businesses including automotive, industrials, and IoT	10,000	July 2016 through September 2018
(vi)	Investment in regard to Business Solutions Company for expansion of sales distribution of existing MFP business, R&D for growing business such as robotics or solution business, increase in production volume, and rationalization	40,000	July 2016 through September 2018
(vii)	Advertising investment and other related expenses for brand value enhancement for targeted areas such as Japan, Asia, and China, and investment and other related expenses for element technology development and fundamental R&D for new business	26,527	July 2016 through June 2019

2. Novation of the Current Syndicated Loan Agreements

The Company has agreed on April 26, 2016, with each lender bank of the syndicated loans to novate as follows the contract terms of the current syndicated loan (contract renewed or concluded on June 25, 2013 and extended the terms on March 30, 2016).

The overview of the novation agreements is as follows.

(1) Arranger and agent
Mizuho Bank, Ltd.
The Bank of Tokyo-Mitsubishi UFJ, Ltd.

(2) Effective Date of novation
April 28, 2016

(3) Details of novation
Excluding some of the contracts, the interest rates will decrease than the existing contract, and the term is 10 years from the implementation date of the contract novation.

(4) Purpose of Loan
Working capital

(5) Effects of novation
7.2 billion yen reduction of borrowing costs is forecasted in the fiscal year ending March 31, 2017.

3. Decreases in Capital and Capital Reserve

The Company has resolved the Board of Directors meeting held on May 12, 2016, on the decreases in the amounts of capital and capital reserve (the Decrease in Capital etc.) and the transfer of the decreased amount to other capital surplus.

The overview of the Decrease in Capital etc. is as follows.

(1) Objective
As announced in “1. Issuance of new shares through third-party allotment”, after the issuance of new shares through third-party allotments, the Company’s capital and capital reserve will each increase by 194,405,829,068 yen.
However, as indicated in “4. Buyback of Class B Shares” below, for the purpose of buying back Class B Shares and reducing the burden of the class shares’ preferred dividends and the buyback premium to be paid by the Company when the Company exercises the call option, to improve the financial structure at an early stage, the Company has decided to conduct the Decreases in Capital, etc. and transfer the decreased amount to other capital surplus, which constitutes the distributable amount.

(2) Amount of capital to be decreased
189,905,829,068 yen

(3) Amount of capital reserve to be decreased
193,280,829,068 yen

(4) Method of the Decreases in Capital, etc.
After the Decreases in Capital, etc. are conducted as above based on the provisions of Article 447, paragraphs 1 and 3 and Article 448, paragraphs 1 and 3 of the Companies Act, the total amount of each will be transferred to other capital surplus.

(5) Schedule of the Decreases in Capital, etc.

May 12, 2016	Resolution at the Board of Directors meeting regarding the Decreases in Capital, etc.

May 27, 2016	Public notice regarding statements of objection by creditors (planned)
June 27, 2016	Final due date for statements of objection by creditors (planned)
October 5, 2016	Effective date of the Decreases in Capital, etc. (planned). However, if the effective date of the Capital Increase Through Third-Party Allotment is on or before October 4, 2016, the Company will adopt a resolution at a Board of Directors meeting that the date when the Decreases in Capital, etc. come into effect will be the same as the effective date of the Capital Increase Through Third-Party Allotment.

4. Buyback of Class B Shares

The Company adopted the resolution regarding the buyback of all Class B shares in exchange for cash consideration at the Board of Directors meeting held on May 12, 2016.

The overview of the Class B shares buyback is as follows.

(1) Reason and method for the buyback

For the purpose of reducing the burden of the class shares' preferred dividends and the buyback premium to be paid by the Company when the Company exercises the call option, based on Article 6-3, paragraph 6, of the Company's articles of incorporation, the Company will buy back all Class B Shares held by Japan Industrial Solutions Fund I (JIS). The subscription agreement about Class B Shares will be terminated as of June 23, 2016 upon agreement with JIS.

(2) Total number of shares to be bought back

25,000 shares

(3) Buyback date

August 8, 2016, or the effective date of the Capital Increase Through Third-Party Allotment, whichever comes later.

(4) Consideration of the buyback of the shares

The amount obtained by multiplying the total amount of 112% of the amount equal to the amount to be paid in per Class B Share (1,000,000 yen), and the amount equal to accumulated unpaid dividends and daily prorated unpaid preferred dividend amount for the Class B Shares specified in the Company's articles of incorporation, by the total number of Class B Shares to be bought back.

The buyback consideration will be 29,954,602,500 yen (1,198,184.1 yen per share) if the shares are bought back on August 8, 2016.

(5) Others

To obtain the distributable amount necessary for the buyback, it is necessary that the Capital Increase Through Third-Party Allotment comes into effect, and the Decreases in Capital, etc., indicated in "3. Decreases in Capital and Capital Reserve" above, come into effect.

5. Allotment of Stock Options (Share Options)

The Company has passed a resolution at the Board of Directors meeting held on May 12, 2016, to submit a proposal at the 122nd Annual General Shareholders' Meeting to be held on June 23, 2016, that the Company be authorized to allot Share Options as stock options to Directors, Executive Officers and employees ("Officers and Employees") of the Company and its subsidiaries and affiliates (the "Company Group"), to delegate to its Board of Directors the determination of the subscription requirements of such Share Options.

The overview of the allotment of stock options (share options) is as follows.

(1) Purpose of adopting a stock option plan

The Company has decided to implement a stock option plan and will issue Share Options as stock options as one of the types of remuneration for Officers and Employees of the Company Group. This will help the Company retain and recruit human resources required for the Company's revitalization and growth, and will serve as an incentive to increase their motivation to participate in the Company Group's business management and contribute to higher performance, as well as the increased corporate value of the Company.

(2) Class and number of shares to be issued upon exercise of Share Options

The class of shares to be issued upon the exercise of Share Options shall be common stock of the Company, and the number of shares to be issued shall not exceed 192,000,000.

If the Company splits its common stock or consolidates its common stock, the number of shares to be issued upon the exercise of Share Options shall be adjusted.

(3) Total number of Share Options to be issued

No more than 192,000 units of Share Options shall be issued.

One thousand shares shall be issued per unit of Share Options; provided that, in the event of any adjustment of the number of shares stipulated in (2) above, the number of shares to be issued per unit of Share Options shall be adjusted accordingly.

The date of allotment of Share Options shall be determined by the Board of Directors, and the Board of Directors may allot the Share Options at a plurality of times within the scope of the aforementioned limit.

(4) Cash payment for Share Options

No cash payment is required for Share Options.

(5) Value of assets to be contributed upon the exercise of Share Options

The value of assets to be contributed upon the exercise of each Share Option shall be the value per share to be issued by the exercise of each Share Option (the "Exercise Value") multiplied by the number of shares to be issued upon the exercise of one unit of Share Options.

The Exercise Value shall be the closing price on the Tokyo Stock Exchange on the day immediately prior to the date of the resolution by the Board of Directors of the Company determining the subscription requirements of the Share Options or the closing price on the date of the allotment, whichever is higher.

If the Company splits its common stock or consolidates its common stock after the issuance of Share Options, the Exercise Value shall be adjusted.

(6) Exercise period of Share Options

The exercise period shall be from the date on which two years have passed from the date of allotment of the Share Options to the date on which seven years have passed from the date of allotment. If the final day of the exercise period falls on a holiday of the Company, the final day shall be the working day immediately preceding the final day.

Supplementary Data

Consolidated Sales by Product Group

Millions of Yen

	Year Ended March 31, 2015		Year Ended March 31, 2016		Increase Decrease	Percent Change
	Amount	Ratio	Amount	Ratio		
		%		%		%
Digital Information Equipment	417,663	15.0	311,274	12.7	- 106,389	- 25.5
Communications	229,455	8.3	180,509	7.3	- 48,946	- 21.3
Health and Environmental Equipment	335,232	12.0	312,732	12.7	- 22,500	- 6.7
Consumer Electronics	982,350	35.3	804,515	32.7	- 177,835	- 18.1
Energy Solutions	270,881	9.7	157,512	6.4	- 113,369	- 41.9
Business Solutions	343,321	12.3	335,520	13.6	- 7,801	- 2.3
Electronic Components and Devices	416,707	15.0	460,024	18.7	+ 43,317	+ 10.4
Display Devices	772,997	27.7	704,018	28.6	- 68,979	- 8.9
Total	2,786,256	100.0	2,461,589	100.0	- 324,667	- 11.7
Domestic	968,449	34.8	750,499	30.5	- 217,950	- 22.5
Overseas	1,817,807	65.2	1,711,090	69.5	- 106,717	- 5.9

Notes:
The above figures indicate sales to external customers by the product group, and differ from those by the reportable segment.