Consolidated Financial Results for the Third Quarter Ended December 31, 2015

February 4, 2016

SHARP CORPORATION

Stock exchange listings: Tokyo
Code number: 6753
URL: http://www.sharp.co.jp/
Representative: Kozo Takahashi, President & Chief Executive Officer
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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 Nine Months Ended December 31, 2015

(1) Financial Results

(The percentage figures represent the percentage of increase or decrease against the same period of the previous year.) Millions of Yen

	Net Sales	Percent Change	Operating Income (Loss)	Percent Change	Net Loss Attributable to Sharp Corporation	Percent Change
Nine Months Ended December 31, 2015	1,943,027	-7.1%	(29,037)	-	(108,328)	-
Nine Months Ended December 31, 2014	2,090,436	-3.1%	51,256	-37.1%	(7,160)	-

[Reference] Comprehensive income (loss): December 31, 2015 ; (105,156) million yen — %
December 31, 2014 ; 46,284 million yen -5.4 %

	Net Loss per Share (Yen)	Fully Diluted Net Income per Share (Yen)
Nine Months Ended December 31, 2015	(66.24)	-
Nine Months Ended December 31, 2014	(4.23)	-

(2) Financial Position

Millions of Yen

	Total Assets	Net Assets	Equity Ratio
As of December 31, 2015	1,731,307	160,263	8.6%
As of March 31, 2015	1,961,909	44,515	1.5%

[Reference] Equity: December 31, 2015 ; 148,154 million yen
March 31, 2015 ; 30,166 million yen

2. Dividends

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

Note1: Revisions to forecast of dividends in this quarter; None

Note2: 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, 2016

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

	Net Sales	Percent Change	Operating Income	Percent Change	Net Income (Loss) Attributable to Sharp Corporation	Percent Change	Net Income (Loss) per Share (Yen)
Year Ending March 31, 2016	2,700,000	-3.1%	10,000	-	-	-	-

Note: Revisions to forecast of financial results from the previous announce ; None

Sharp Group intends to announce the forecast of net income (loss) attributable to Sharp Corporation and net income (loss) per share, once it become possible to make a reasonable estimate of the impact on consolidated financial statements arising from materialization of structural reforms currently under consideration or in progress.

4. Other Information

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

Excluded : Sharp Technical Components (Wuxi) Co., Ltd.

(2) Adoption of special accounting methods for preparation of quarterly financial statements: None

(3) 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: None
4. Restatement: None

(4) Number of shares outstanding (common shares)

1. Number of shares outstanding (including treasury stock) as of December 31, 2015 ; 1,701,214,887 shares
   as of March 31, 2015 ; 1,701,214,887 shares
2. Number of shares of treasury stock as of December 31, 2015 ; 10,528,096 shares
   as of March 31, 2015 ; 10,480,945 shares
3. Average number of shares outstanding during the nine months ended December 31, 2015 ; 1,690,705,750 shares
   during the nine months ended December 31, 2014 ; 1,690,754,179 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. This financial release contains certain statements about the future, which are based on information available and deemed reasonable to the Sharp Group at the time of announcement and are not the commitments made by Sharp. Actual operating results may differ materially from the forecast due to various factors.
   For the assumptions and other related matters concerning financial results forecast, please refer to "(3) Qualitative Information Regarding Forecast of Consolidated Financial Results" of "(1) Qualitative Information Regarding the Third Quarter Financial Results." on page 5.
3. Sharp will hold a financial results meeting on February 4, 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 Ending March 31, 2016	-	0.00	-		
Year Ending March 31, 2016 (Forecast)				-	-

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

Note: The amount of dividend per share for the year ending March 31, 2016, has not been decided at the time of announcement.

1. Qualitative Information: Fiscal 2015 Cumulative Third Quarter Financial Results

(1) Qualitative Information regarding Consolidated Financial Results

During the fiscal 2015 cumulative third quarter, the economy of Japan is heading towards a modest recovery with improvements in the employment situation and corporate earnings. Capital investment growth was stable as well as personal consumption. 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 conditioner*4. In addition, Sharp Group has started mass production of the in-cell type touch displays. *5 Moreover, Sharp has set 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 cumulative third quarter has ended as 1,943.0 billion yen (down 7.1% year on year), due to sales decline in Consumer Electronics, Energy Solutions and Display Devices. Operating loss resulted as 29.0 billion yen (51.2 billion yen operating income in the same period of the previous year), and net loss attributable to Sharp Corporation was 108.3 billion yen (7.1 billion yen net loss attributable to Sharp Corporation in the same period of the previous year), as an effect from the Energy Solutions and Display Device business downturn.

On the funding side, Sharp Corporation issued preferred shares of 225.0 billion yen in total, 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 cumulative third quarter are as follows. The sales includes internal sales and transactions.

1. **Consumer Electronics**
   Sales resulted as 639.8 billion yen, down 16.5% year on year, due to the sales decline in LCD TVs, mobile phones and air purifiers.

2. **Energy Solutions**
   Sales resulted as 113.3 billion yen, down 42.4% year on year due to sales decline for solar cells.

3. **Business Solutions**
   Sales resulted as 261.2 billion yen, up 3.6% 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 397.6 billion yen, up 23.1% year on year, led by the expansion of camera module sales.

5. **Display Devices**
   Sales resulted as 617.4 billion yen, down 11.7% 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.

(2) Qualitative Information : Consolidated Statement of Financial Position

The total assets as of December 31 2015, were 1,731.3 billion yen, down 230.6 billion yen from March 31, 2015. This was mainly due to the inventory reduction and decrease in cash and time deposits as well as notes and accounts receivables. Plant and equipment, less accumulated depreciation were 368.4 billion yen, down 32.1 billion yen as a result of depreciation. On the other hand, the total liabilities were 1,571.0 billion yen, down 346.3 billion yen from March 31, 2015, due to the decrease in short-term borrowing and notes and accounts payables. Net assets were 160.2 billion yen with an increase of 115.7 billion yen, mainly due to the issuance of preferred shares.

Regarding cash flows, net cash provided by operating activities was 22.9 billion yen, and net cash used in investing activities was 46.4 billion yen. Net cash provided by financing activities was 5.0 billion yen. As a result, cash and cash equivalents at the end of the period were 209.5 billion yen, a decrease of 22.6 billion yen from March 31, 2015.

(3) Qualitative Information Regarding Forecast of Consolidated Financial Results

As a future outlook, it is expected that the Japanese economy will continue its steady recovery, as the effect of employment situation improvement and the support of various economic policies. For overseas, overall economy is towards steady recovery, although necessary to take notice of the effects of the U.S. normalization of monetary policy, market movements of China and Asian emerging countries, as well as crude oil price fall effects to resource rich countries and geopolitical issues.

Under such circumstances, Sharp Group is reinforcing its stability of revenue basis through fundamental structural reforms, continuously implementing the key strategies based on the Medium-Term Management Plan. Display Devices is to be taken initiative for fundamental restructurings, risk hedging towards the volatility of sales.

The financial forecast for fiscal 2015 has no change from the announced on October 26, 2015.

(Increase Decrease indicate the percentage vs previous year)

	Fiscal 2015 forecast	
	(Billions of Yen)	Increase Decrease
Net sales	2,700.0	-3.1%
Operating income	10.0	—

The above figures are based on an exchange rate of ¥120=US$ 1.00 for the six months year ending March 31, 2016. Sharp Group intends to announce the forecast of net income (loss) attributable to Sharp Corporation once it becomes possible to make a reasonable estimate of the impact on consolidated financial statements of the materialization of structural reforms currently under consideration or in progress.

Note: The aforementioned estimates of financial results are based on information available and deemed reasonable to the Sharp Group at the time of announcement and are not commitments made by the Sharp Group. Actual operating results may differ materially from the forecast due to various factors. The factors that may influence the figures for final reported business results include, but are not limited to:

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

*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 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. Summary Information

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

Sharp Technical Components (Wuxi) Co., Ltd is excluded from consolidated subsidiaries, as it has been completed its settlement on August 26, 2015.

(2) Adoption of special accounting methods for preparation of quarterly financial statements

None

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

(Changes in accounting policies)

Effective from the three months ended June 30, 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 quarterly period in which the business combinations become effective. This is applied to the business combinations occurring on or after the beginning of the three months ended June 30, 2015. In addition, net income was restated and minority interests were restated to non-controlling interests. Consolidated financial statements for the nine months ended December 31, 2014, and for the year ended March 31, 2015, were restated to reflect this change.

In consolidated statements of cash flows for the nine months ended December 31, 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.

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 the three months ended June 30, 2015.

This change had an immaterial impact on consolidated financial statements for nine months ended December 31, 2015.

3. Outline of Material Events Related to Assumed Going Concern

For the year ended March 31, 2015, the consolidated financial performance of Sharp Group resulted in substantial operating loss and net loss attributable to Sharp Corporation, making it difficult for Sharp to achieve its Medium-Term Management Plan. Also, consolidated net assets declined significantly to a level infringing on financial covenants of the syndicated loan agreement.

To address this situation, on May 14, 2015, Sharp formulated a new Medium-Term Management Plan for fiscal 2015 through 2017 as a corporate strategy to establish a stable foundation for earnings through fundamental structural reforms. On June 30, 2015, Sharp issued preferred shares totaling 200 billion yen to Mizuho Bank, Ltd. and the Bank of Tokyo-Mitsubishi UFJ, Ltd. to reinforce Sharp's deteriorated capital base. Sharp also issued preferred shares totaling 25 billion yen to Japan Industrial Solutions Fund I, managed by Japan Industrial Solutions Co., Ltd. to raise investment capital. These issuances were based on approval at the 121st Ordinary General Meeting of Shareholders and consent on reconciliation among financial institutions. As a result, consolidated net assets increased to a level not infringing on financial covenants of the syndicated loan agreement.

However, consolidated financial performance for the nine months ended December 31, 2015 resulted in an operating loss and net loss attributable to Sharp Corporation, despite the positive cash flows from operating activities. In addition, the term of the syndicated loan expires on March 31, 2016, while the redemption date for the 25th unsecured straight bond is September 16, 2016. Under such circumstances, there exist events or conditions that may cast a material doubt on Sharp's ability to continue as a going concern. Sharp believes, implementing the various measures described below, it will not have a material uncertainty about its ability to continue as a going concern, and that no further disclosure under "(4) Going Concern Assumption" on page 12 is necessary.

To overcome these events and conditions, Sharp is executing a new Medium-Term Management Plan consisting of three key strategies: 1. Restructure business portfolio; 2. Reduce fixed costs; 3. Reorganize and strengthen corporate/governance systems.

In a measure to restructure its business portfolio, Sharp has signed an alliance with Hisense Group of China regarding Sharp's LCD TV business in the Americas. Under this alliance, Sharp sold its production base in Mexico to the Hisense Group, as well as transition to a brand licensing business. For other business segments, the business portfolio is to be reviewed continuously as well.

As measures to reduce fixed costs, Sharp has enacted a voluntary retirement program in Japan, while initiating a reduction in workforce overseas. As emergency payroll reduction measures, we are reducing remunerations and salaries, cutting bonuses, and reviewing benefits and allowances.

In a measure to reorganize and strengthen corporate/governance systems, Sharp adopted a virtual company system on October 1, 2015, reorganizing five product groups into five companies. Each company will have its own integrated system, from development to production to sales, conducting autonomous management based on the company's own financial statements. The objective of this virtual company system is to strengthen the revenue base of each individual organization.

In terms of capital, Sharp has gained consensus from the financial institutions that they will continue supporting Sharp during the period of the new Medium-Term Management Plan. With this consensus and the sale of Sharp assets, etc., Sharp expects to be able to secure necessary capital.

4.Consolidated Financial Statements

(1) Consolidated Balance Sheets

Millions of Yen

	As of March 31, 2015	As of December 31, 2015
ASSETS		
Current Assets:		
Cash, time deposits and restricted cash	258,493	234,533
Notes and accounts receivable, less allowance for doubtful receivables	605,671	469,335
Inventories	338,300	299,089
Other current assets	96,731	97,915
Total current assets	1,299,195	1,100,872
Plant and Equipment, Less Accumulated Depreciation	400,592	368,440
Investments and Other Assets	262,039	261,931
Deferred Assets	83	64
Total assets	1,961,909	1,731,307
LIABILITIES		
Current Liabilities:		
Short-term borrowings, including current portion of long-term debt	848,947	664,658
Notes and accounts payable	468,020	404,691
Other current liabilities	369,987	310,256
Total current liabilities	1,686,954	1,379,605
Long-term Liabilities	230,440	191,439
Total liabilities	1,917,394	1,571,044
NET ASSETS		
Owners' Equity:		
Capital stock	121,885	500
Capital surplus	95,945	222,455
Retained earnings	(87,448)	24,000
Less cost of treasury stock	(13,893)	(13,898)
Total owners' equity	116,489	233,057
Accumulated Other Comprehensive Income:		
Net unrealized holding gains (losses) on securities	10,569	13,212
Deferred gains (losses) on hedges	780	(248)
Foreign currency translation adjustments	(18,106)	(28,832)
Remeasurements of defined benefit plans	(79,566)	(69,035)
Total accumulated other comprehensive income	(86,323)	(84,903)
Non-controlling Interests	14,349	12,109
Total net assets	44,515	160,263
Total liabilities and net assets	1,961,909	1,731,307

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

- Consolidated Statements of Income

Millions of Yen

	Nine Months Ended December 31, 2014	Nine Months Ended December 31, 2015
Net Sales	2,090,436	1,943,027
Cost of Sales	1,710,508	1,693,216
Gross profit	379,928	249,811
Selling, General and Administrative Expenses	328,672	278,848
Operating income (loss)	51,256	(29,037)
Other Income (Expenses)		
Interest income	989	694
Rent income on noncurrent assets	3,211	2,895
Equity in earnings of affiliates	4,738	2,874
Gain on sales of noncurrent assets	1,492	774
Gain on sales of investment securities	11,657	1,805
Reversal of provision for loss on litigation	19,234	2,046
Receipt of settlement package	-	8,563
Interest expense	(17,478)	(14,543)
Loss on sales and retirement of noncurrent assets	(922)	(1,081)
Impairment loss	(4,429)	(13,867)
Loss on valuation of investment securities	(3)	(109)
Loss on sales of investment securities	(78)	-
Restructuring charges	(14,688)	(36,704)
Provision for loss on litigation	-	(2,036)
Settlement	(14,382)	-
Other, net	(24,571)	(15,696)
	(35,230)	(64,385)
Income (loss) before income taxes	16,026	(93,422)
Income Taxes		
Current	14,458	17,209
Prior periods	3,564	-
Deferred	3,648	(4,520)
	21,670	12,689
Net Loss	(5,644)	(106,111)
Less net income attributable to non-controlling interests	1,516	2,217
Net loss attributable to Sharp Corporation	(7,160)	(108,328)

- Consolidated Statements of Comprehensive Income

Millions of Yen

	Nine Months Ended December 31, 2014	Nine Months Ended December 31, 2015
Net Loss	(5,644)	(106,111)
Other Comprehensive Income:		
Net unrealized holding gains (losses) on securities	1,471	2,643
Deferred gains (losses) on hedges	(479)	(1,028)
Foreign currency translation adjustments	35,905	(11,014)
Remeasurements of defined benefit plans	14,688	10,524
Share of other comprehensive income of affiliates accounted for using equity method	343	(170)
Total other comprehensive income	51,928	955
Comprehensive Income (Loss)	46,284	(105,156)
Less comprehensive income attributable to non-controlling interests	3,292	1,752
Comprehensive income (loss) attributable to Sharp Corporation	42,992	(106,908)

(3) Consolidated Statements of Cash Flows

Millions of Yen

	Nine Months Ended December 31, 2014	Nine Months Ended December 31, 2015
Cash Flows from Operating Activities:		
Income (loss) before income taxes	16,026	(93,422)
adjustments to reconcile income (loss) before income taxes to net cash provided by (used in) operating activities－		
Depreciation and amortization of properties and intangibles	81,718	57,573
Interest and dividend income	(1,989)	(1,657)
Interest expenses	17,478	14,543
Loss (gain) on sales and retirement of noncurrent assets, net	(570)	307
Impairment loss	4,429	13,867
Gain on sales of investment securities, net	(11,579)	(1,805)
Restructuring charges	14,688	36,704
Provision for loss on litigation	-	2,036
Reversal of provision for loss on litigation	(19,234)	(2,046)
Settlement	14,382	-
Receipt of settlement package	-	(8,563)
Decrease in notes and accounts receivable-trade	29,626	91,966
Decrease (increase) in inventories	(59,087)	29,379
Decrease (increase) in notes and accounts receivable-other	(66,593)	27,726
(Decrease) increase in payables	40,165	(40,192)
(Decrease) increase in accrued expenses	24,503	(28,082)
Decrease in provision for bonuses	(17,191)	(7,737)
Other, net	(20,780)	(18,725)
Total	45,992	71,872
Interest and dividends received	2,870	2,305
Interest paid	(17,375)	(14,399)
Special extra retirement payments paid	-	(22,556)
Settlement package received	-	8,587
Settlement package paid	(2,585)	(2,509)
Settlement paid	(8,359)	-
Income taxes paid	(24,181)	(20,355)
Net cash provided by (used in) operating activities	(3,638)	22,945
Cash Flows from Investing Activities:		
Purchase of time deposits	(22,807)	(25,000)
Proceeds from redemption of time deposits	19,954	22,396
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	-	1,409
Acquisitions of plant and equipment	(38,215)	(34,993)
Proceeds from sales of plant and equipment	6,960	4,668
Proceeds from sales of investment securities	30,044	699
Other, net	(21,573)	(15,621)
Net cash used in investing activities	(28,074)	(46,442)
Cash Flows from Financing Activities:		
(Decrease) increase in short-term borrowings, net	3,693	(174,136)
Proceeds from long-term debt	4,720	3,138
Repayments of long-term debt	(125,205)	(48,880)
Proceeds from issuance of class shares	-	224,606
Other, net	424	333
Net cash provided by (used in) financing activities	(116,368)	5,061
Effect of Exchange Rate Changes on Cash and Cash Equivalents	21,187	(4,223)
Net Decrease in Cash and Cash Equivalents	(126,893)	(22,659)
Cash and Cash Equivalents at Beginning of Year	350,634	232,211
Cash and Cash Equivalents at End of Period	223,741	209,552

(4) Going Concern Assumption

None

(5) Segment Information

1. Nine Months Ended December 31, 2014

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

Millions of Yen

Net Sales	
Consumer Electronics	
Customers	765,742
Intersegment	410
Total	766,152
Energy Solutions	
Customers	196,621
Intersegment	(4)
Total	196,617
Business Solutions	
Customers	252,007
Intersegment	10
Total	252,017
Electronic Components and Devices	
Customers	287,163
Intersegment	35,973
Total	323,136
Display Devices	
Customers	588,903
Intersegment	110,115
Total	699,018
Adjustments	(146,504)
The amount presented in Consolidated Statements of Income	2,090,436
Segment Income (Loss)	
Consumer Electronics	24,283
Energy Solutions	(1,920)
Business Solutions	23,606
Electronic Components and Devices	165
Display Devices	32,287
Adjustments*1	(27,165)
The amount presented in Consolidated Statements of Income*2	51,256

Notes: 1. Adjustments of segment income (loss) of (27,165) million yen include elimination of intersegment transactions of 374 million yen and corporate expenses not allocated to each reportable segment of (26,947) 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.

ⅱ Information regarding impairment loss on noncurrent assets, goodwill, etc. by reportable segment

(Significant impairment loss on noncurrent assets)

In Consumer Electronics segment, the book value of business assets was reduced to an estimated recoverable amount, due to the decreasing profitability and the unlikelihood of recouping investment, and the reduced amount was recorded as an impairment loss.
The impairment loss was 1,265 million yen for the nine months ended December 31, 2014.
In Energy Solutions segment, the book value of goodwill related to the U.S. subsidiary, was reduced to an estimated recoverable amount, due to the unlikelihood of recouping the profit and the reduced amount was recorded as an impairment loss.
The impairment loss was 1,827 million yen for the nine months ended December 31, 2014.
In Electric Components and Devices segment, the book value of idle assets was reduced to an estimated recoverable amount, and the reduced amount was recorded as an impairment loss.
The impairment loss was 1,337 million yen for the nine months ended December 31, 2014.
as an impairment loss.
The impairment loss was 1,337 million yen for the nine months ended December 31, 2014.
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2. Nine Months Ended December 31, 2015

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

Millions of Yen

Net Sales	
Consumer Electronics	
Customers	632,900
Intersegment	6,943
Total	639,843
Energy Solutions	
Customers	112,490
Intersegment	810
Total	113,300
Business Solutions	
Customers	257,977
Intersegment	3,233
Total	261,210
Electronic Components and Devices	
Customers	370,975
Intersegment	26,662
Total	397,637
Display Devices	
Customers	568,685
Intersegment	48,730
Total	617,415
Adjustments	(86,378)
The amount presented in Consolidated Statements of Income	1,943,027
Segment Income (Loss)	
Consumer Electronics	5,581
Energy Solutions	(7,714)
Business Solutions	23,888
Electronic Components and Devices	10,017
Display Devices	(37,234)
Adjustments*1	(23,575)
The amount presented in Consolidated Statements of Income*2	(29,037)

Notes: 1. Adjustments of segment income (loss) of (23,575) million yen include elimination of intersegment transactions of (43) million yen and corporate expenses not allocated to each reportable segment of (23,042) 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.

ⅱ. Changes in reportable segments

For the first half of the fiscal year ending March 2016, Sharp classified reportable segments into the Product Business and the Device Business segments. However, for the cumulative third quarter of the fiscal year ending March 2016, Sharp has disclosed segment information based on five reportable segments: (1) Consumer Electronics; (2) Energy Solutions; (3) Business Solutions; (4) Electronic Components and Devices; and (5) Display Devices.

Sharp adopted this virtual company system on October 1, 2015, reorganizing its five product groups into virtual companies to become a more competitive organization capable of responding rapidly to customer needs and market developments.

Subsequent to this change in classifications, products that had been included under the Product Business segment are now included under the Consumer Electronics, Energy Solutions, and Business Solutions. Products that had been included under the Device Business segment are now included under the Electronic Components and Devices and Display Devices.

The segment information of the nine months ended December 31, 2014 is stated based on the 5 classifications under the new segmentation. By the adopt of the virtual company system, the sales to customers and intersegments of each reportable segments are summarized by each virtual company. However, since there is no mechanism for calculating these figures for the nine months ended December 31, 2014 and the six months ended September 31, 2015, we have estimated these amounts by calculating totals for the products produced by each company.

ⅲ. Information regarding impairment loss on noncurrent assets, goodwill, etc. by reportable segment

(Significant impairment loss on noncurrent assets)

In Consumer Electronics segment, the book value of business assets with no prospect for recouping investment due to the decreasing profitability, and business assets scheduled to be sold belonging to some consolidated subsidiaries was reduced to an estimated recoverable amount, and the reduced amount was recorded as an impairment loss.
The impairment loss was 3,672 million yen for the nine months ended December 31, 2015.

In Energy Solutions segment, the book value of business assets with no prospect for recouping investment due to the decreasing profitability was reduced to an estimated recoverable amount, and the reduced amount was recorded as an impairment loss.
The impairment loss was 2,193 million yen for the nine months ended December 31, 2015.

In Electric Components and Devices segment, the book value of business assets scheduled for production structure to be under reviewed and aggregated, and idle assets of consolidated subsidiaries was reduced to an estimated recoverable amount, and the reduced amount was recorded as an impairment loss.
The impairment loss was 1,266 million yen for the nine months ended December 31, 2015.

In Display Devices segment, the book value of business assets and idle assets etc. of consolidated subsidiaries, was reduced to an estimated recoverable amount, due to the decreasing profitability and the unlikelihood of recouping investment, and the reduced amount was recorded as an impairment loss.
The impairment loss was 6,736 million yen for the nine months ended December 31, 2015.

(6) Significant Changes in Owners Equity

The Company issued Class A Shares and Class B Shares by third-party allotment with the subscription payment date on June 30, 2015. As a result, the capital stock increased by 112,500 million yen and the capital surplus increased by 112,500 million yen.
In addition, based on a resolution of the General Meeting of Shareholders held on June 23, 2015, on June 30, 2015, the Company reduced capital stock and capital reserve pursuant to the provisions of Article 447, Paragraph 1 and Article 448, Paragraph 1, of the Companies Act, and then appropriated the surpluses pursuant to the provision of Article 452 of the Companies Act, in order to cover the deficit. As a result, the capital stock decreased by 233,885 million yen and the capital surplus increased by 14,104 million yen.
Due mainly to this, the capital stock as of December 31, 2015, was 500 million yen, a decrease of 121,385 million yen from March 31, 2015, and the capital surplus was 222,455 million yen, an increase of 126,510 million yen.

(7) Significant Subsequent Events

Sharp announces that Sharp resolved, at its board of directors' meeting held on February 4, 2016, to conduct a capital investment in order to increase production capacity and further improve the performance of small- and medium-size high-value added LCD panels at its Kameyama Plant No. 2, as described below.

1. Reasons for the capital investment

Given the deterioration of the demand-supply balance and the fall in the selling price in the television and smartphone LCD panel market, Sharp has been shifting its focus to the medium-size field, such as LCD panels for PCs and tablets. In this field, Sharp intends to increase the production capacity for high-value added panels required in the small- and medium-size field that are high-definition, narrow-framed, low power consumption, or the like and to improve the profitability of Kameyama Plant No. 2.

2. Details of the capital investment

(1) Location	Kameyama, Mie prefecture
(2) Purpose	A set of facilities to improve the performance and production capacity of small- and medium-size LCD panels.
(3) Amount to be invested	Approximately 11.2 billion yen

3. Timing of operation

January 2017 (expected)

4. Forecast

The profitability of Kameyama Plant No. 2 is expected to improve due to this deployment of capital investment; however, it will have no effect on the consolidated financial results for the year ending March 31, 2016.

5. Supplementary Data

Consolidated Sales by Product Group

Millions of Yen

	Nine Months Ended December 31, 2014		Nine Months Ended December 31, 2015		Increase Decrease	Percent Change
	Amount	Ratio	Amount	Ratio		
		%		%		%
Digital Information Equipment	329,563	15.8	258,438	13.3	- 71,125	- 21.6
Communications	181,955	8.7	141,091	7.3	- 40,864	- 22.5
Health and Environmental Equipment	254,224	12.1	235,677	12.1	- 18,547	- 7.3
Consumer Electronics	765,742	36.6	635,206	32.7	- 130,536	- 17.0
Energy Solutions	196,621	9.5	113,614	5.8	- 83,007	- 42.2
Business Solutions	252,007	12.0	251,930	13.0	- 77	-0.0
Electronic Components and Devices	287,163	13.7	371,696	19.1	+ 84,533	+ 29.4
Display Devices	588,903	28.2	570,581	29.4	- 18,322	- 3.1
Total	2,090,436	100.0	1,943,027	100.0	- 147,409	- 7.1
Domestic	729,500	34.9	560,119	28.8	- 169,381	- 23.2
Overseas	1,360,936	65.1	1,382,908	71.2	+ 21,972	+ 1.6

Notes:

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