

Consolidated Financial Results for the Second Quarter Fiscal 2015

I . Financial Results for 1H Fiscal 2015

II . Financial Results Forecast for Fiscal 2015

III . Information by Product Group

IV . Supplementary Data

SHARP CORPORATION

October 30, 2015

Forward-Looking Statements

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

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

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

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I . Financial Results for 1H Fiscal 2015

Financial Results for 1H Fiscal 2015

- Net sales in the first half of fiscal 2015 were 1,279.6 billion yen, down 3.6% from the same period last year.
- All products groups' businesses are in progress as schedule at the fiscal top, except Display Devices.
- Structural reforms are on progress steadily

(Billions of Yen)

	FY2014	FY2015		
	1H	1H Results	Change (Y on Y)	Difference (Y on Y)
Net Sales	1,327.6	1,279.6	-3.6%	-47.9
Operating Income (margin)	29.2 (2.2%)	-25.1 (-2.0%)	-	-54.3
Net Income Attributable to Sharp Corporation (margin)	4.7 (0.4%)	-83.6 (-6.5%)	-	-88.3

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2

- Here is the overview of the consolidated financial results for the first half of fiscal 2015. The figures are equivalent to those announced in the press release on October 26.
- Net sales were down 3.6% to 1,279.6 billion yen. Operating loss was 25.1 billion yen. Net loss attributable to Sharp Corporation was 83.6 billion yen.
- This downturn was mainly due to Display Devices, while other product groups' businesses are progressing as scheduled. The structural reforms we executed are also making steady progress.

Financial Results for 2Q Fiscal 2015

- Net sales in 2Q FY2015 were 661.3 billion yen, up 7.0% over the previous quarter.
- Operating income was in the black, as all product groups except Display Devices were in the black.
- Due to factors including continuous structural reforms, a net loss attributable to Sharp Corporation was recorded during this quarter.

(Billions of Yen)

	FY2015			
	1Q	2Q	Change (Q on Q)	Difference (Q on Q)
Net Sales	618.3	661.3	+7.0%	+43.0
Operating Income (margin)	-28.7 (-4.7%)	3.5 (0.5%)	-	+32.3
Net Income Attributable to Sharp Corporation (margin)	-33.9 (-5.5%)	-49.6 (-7.5%)	-	-15.6

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3

- This is the overview of consolidated financial results for the second quarter.
- Net sales showed steady improvement, increasing by 43.0 billion yen over the previous quarter to 661.3 billion yen.
- Operating income rebounded from an operating loss in the first quarter, improving by 32.3 billion yen to 3.5 billion yen. This was due to all product groups except Display Devices being in the black.
- The net loss attributable to Sharp Corporation was 49.6 billion yen, due to factors including the implementation of structural reforms.

Other Income (Expenses)

(Billions of Yen)

	FY2014	FY2015			Difference (Y on Y)
	1H	1Q	2Q	1H	
Operating Income	29.2	-28.7	3.5	-25.1	-54.3
Other Income (Expenses)	-15.5	-1.5	-48.5	-50.0	-34.5
Equity in earnings of affiliates	+4.0	+1.7	+1.3	+3.0	-0.9
Gain on sales of investment securities	+5.9	+1.7	+0.0	+1.8	-4.1
Reversal of provision for loss on litigation	+19.2	+2.0	-	+2.0	-17.1
Receipt of settlement package	-	+6.2	+0.8	+7.1	+7.1
Interest expense	-11.8	-5.5	-4.4	-9.9	+1.8
Impairment loss	-2.4	-6.5	-4.6	-11.1	-8.6
Restructuring charges	-5.7	-	-35.3	-35.3	-29.5
Settlement	-14.3	-	-	-	+14.3
Pretax Income	13.6	-30.3	-44.9	-75.2	-88.9
Income Taxes, etc.	-8.9	-3.6	-4.7	-8.3	+0.5
Net Income Attributable to Sharp Corporation	4.7	-33.9	-49.6	-83.6	-88.3

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4

- Here we look at Other Income and Expenses.
- A reversal of provision for loss on litigation (resulting from discontinuance on the TFT LCD cartel case) and a receipt of settlement package (resulting from the CRT cartel cases) were calculated as other income.
- As other expenses, the followings were recorded.
 1. Restructuring charges for
 - voluntary retirement program in the Medium-Term Management Plan
 - structured reforms in the Americas LCD TV business
 - revamping of the production structure of electronic device business
 2. An impairment loss that included production equipment and the building of overseas subsidiaries

Sales by Product Group

	(Billions of Yen)						
	FY2014	FY2015				(5/14) Forecast difference	FY2015
	1H	1Q	2Q	1H Results	Change (Y on Y)		(5/14) 1H Forecast
Digital Information Equipment	211.8	70.3	96.9	167.3	-21.0%	-2.6	170.0
Communications	119.5	56.8	60.8	117.6	-1.6%	-2.3	120.0
Health and Environmental Equipment	162.8	74.7	75.8	150.5	-7.5%	-14.4	165.0
Consumer Electronics	494.2	201.9	233.6	435.5	-11.9%	-19.4	455.0
Energy Solutions	142.9	36.8	41.8	78.7	-44.9%	-1.2	80.0
Business Solutions	165.9	80.6	91.7	172.3	+3.8%	+7.3	165.0
Product Business	803.1	319.4	367.1	686.6	-14.5%	-13.3	700.0
Electronic Components and Devices	149.7	131.7	111.5	243.2	+62.4%	+43.2	200.0
Display Devices	460.9	187.8	203.3	391.1	-15.1%	-88.8	480.0
Device Business	610.7	319.6	314.8	634.4	+3.9%	-45.5	680.0
Subtotal	1,413.8	639.0	682.0	1,321.0	-6.6%	-58.9	1,380.0
Adjustments	-86.1	-20.7	-20.6	-41.3	-	+38.6	-80.0
Total	1,327.6	618.3	661.3	1,279.6	-3.6%	-20.3	1,300.0

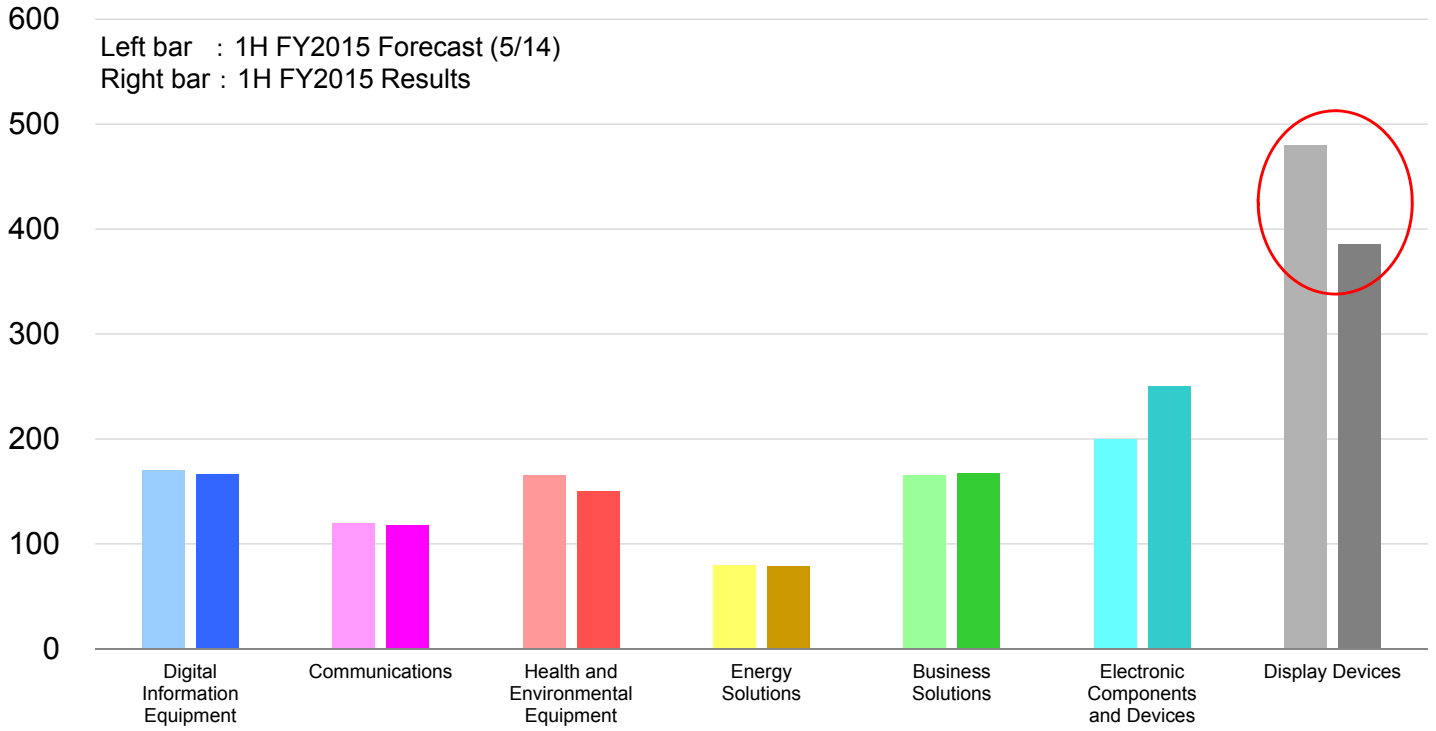
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*Sales of each product group include internal sales between segments (Product Business / Device Business) **5**

- Here are sales by product group.

Sales by Product Group

(Billions of Yen)



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

Operating Income by Product Group

	FY2014	FY2015			Change (Y on Y)	(5/14) Forecast difference	FY2015
	1H	1Q	2Q	1H Results			(5/14) 1H Forecast
Digital Information Equipment	0.3 (0.2%)	-17.3 (-24.7%)	2.3 (2.4%)	-15.0 (-9.0%)	-	-6.0	-9.0 (-5.3%)
Communications	7.1 (6.0%)	4.9 (8.7%)	5.5 (9.1%)	10.5 (8.9%)	+46.1%	+6.5	4.0 (3.3%)
Health and Environmental Equipment	7.7 (4.8%)	0.7 (1.0%)	1.8 (2.4%)	2.5 (1.7%)	-67.3%	-3.4	6.0 (3.6%)
Consumer Electronics	15.2 (3.1%)	-11.7 (-5.8%)	9.7 (4.2%)	-1.9 (-0.5%)	-	-2.9	1.0 (0.2%)
Energy Solutions	-0.2 (-0.2%)	-3.9 (-10.7%)	1.3 (3.2%)	-2.6 (-3.4%)	-	-3.6	1.0 (1.3%)
Business Solutions	15.9 (9.6%)	6.8 (8.4%)	9.9 (10.8%)	16.7 (9.7%)	+5.2%	+1.7	15.0 (9.1%)
Product Business	30.9 (3.9%)	-8.8 (-2.8%)	20.9 (5.7%)	12.1 (1.8%)	-60.8%	-4.8	17.0 (2.4%)
Electronic Components and Devices	-2.4 (-1.6%)	2.8 (2.2%)	5.1 (4.7%)	8.0 (3.3%)	-	+5.0	3.0 (1.5%)
Display Devices	20.8 (4.5%)	-13.7 (-7.3%)	-12.7 (-6.3%)	-26.4 (-6.8%)	-	-34.4	8.0 (1.7%)
Device Business	18.3 (3.0%)	-10.8 (-3.4%)	-7.5 (-2.4%)	-18.4 (-2.9%)	-	-29.4	11.0 (1.6%)
Subtotal	49.2 (3.5%)	-19.7 (-3.1%)	13.3 (2.0%)	-6.3 (-0.5%)	-	-34.3	28.0 (2.0%)
Adjustments	-20.0	-9.0	-9.7	-18.8	-	-0.8	-18.0
Total	29.2 (2.2%)	-28.7 (-4.7%)	3.5 (0.5%)	-25.1 (-2.0%)	-	-35.1	10.0 (0.8%)

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*Figures within parentheses indicate operating margin.

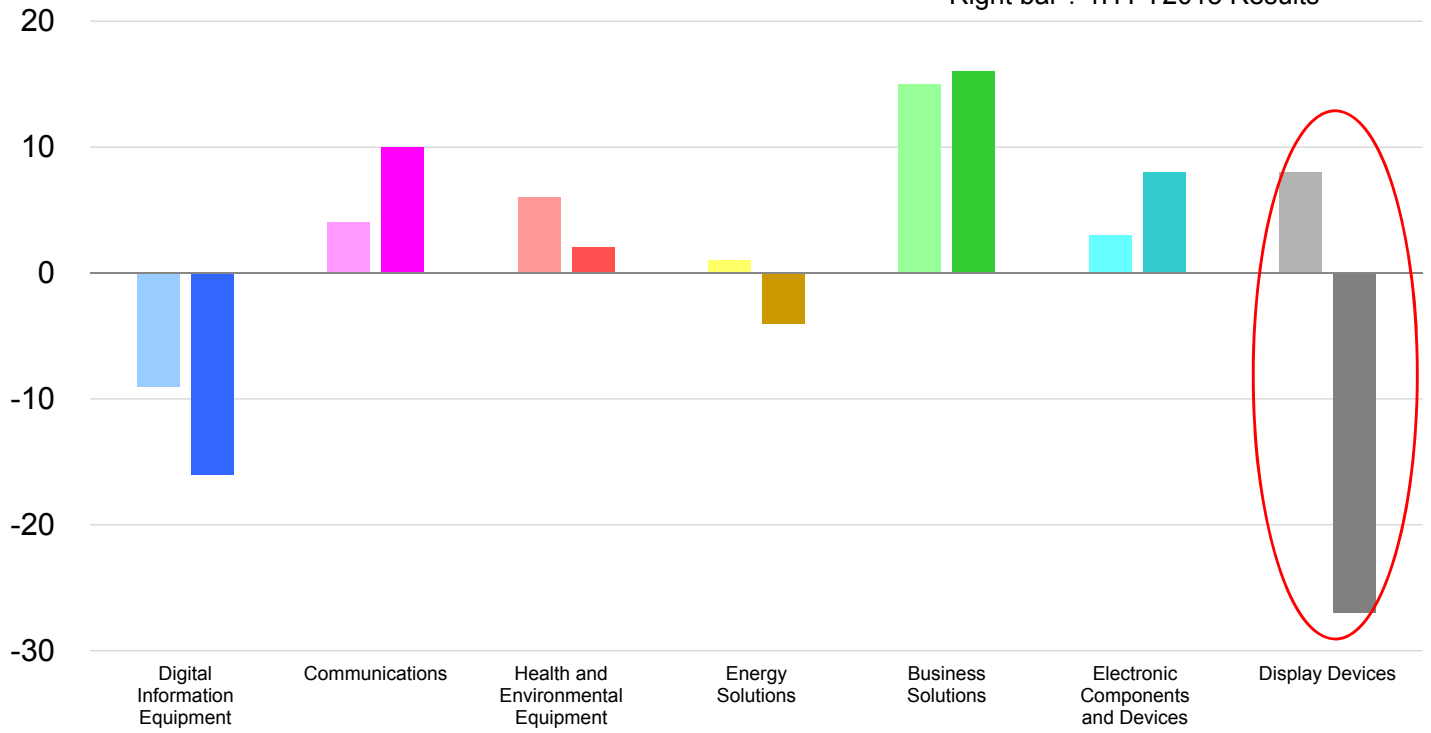
7

- This shows the operating income by product group.
- We will explain the details of the sales and operating income of each product group accordingly.

Operating Income by Product Group

(Billions of Yen)

Left bar : 1H FY2015 Forecast (5/14)
Right bar : 1H FY2015 Results



Consolidated Balance Sheets

- The equity ratio decreased from 12.3% at the end of June 2015 to 9.4% at the end of September 2015.

(Billions of Yen)

	FY2014	FY2015			FY2014	FY2015	
	End of Mar. 2015	End of Jun. 2015	End of Sep. 2015		End of Mar. 2015	End of Jun. 2015	End of Sep. 2015
Cash, time deposits and restricted cash	258.4	214.2	175.0	Short-term borrowings	848.9	661.5	666.4
Notes and accounts receivable	605.6	557.1	574.2	Notes and accounts payable	468.0	422.3	422.7
Inventories	338.3	344.2	294.2	Other current liabilities	369.9	326.1	324.9
Other current assets	96.7	97.7	106.4	Current Liabilities	1,686.9	1,410.0	1,414.1
Current Assets	1,299.1	1,213.4	1,149.8	Long-term Liabilities	230.4	216.8	191.9
Plant and Equipment	400.5	390.9	377.1	Liabilities	1,917.3	1,626.8	1,606.1
Investments and Other Assets	262.0	265.5	259.8	Net Assets	44.5	243.0	180.9
Deferred Assets	0.0	0.0	0.0	Total Liabilities and Net Assets	1,961.9	1,869.9	1,787.0
Total Assets	1,961.9	1,869.9	1,787.0	Equity Ratio	1.5%	12.3%	9.4%

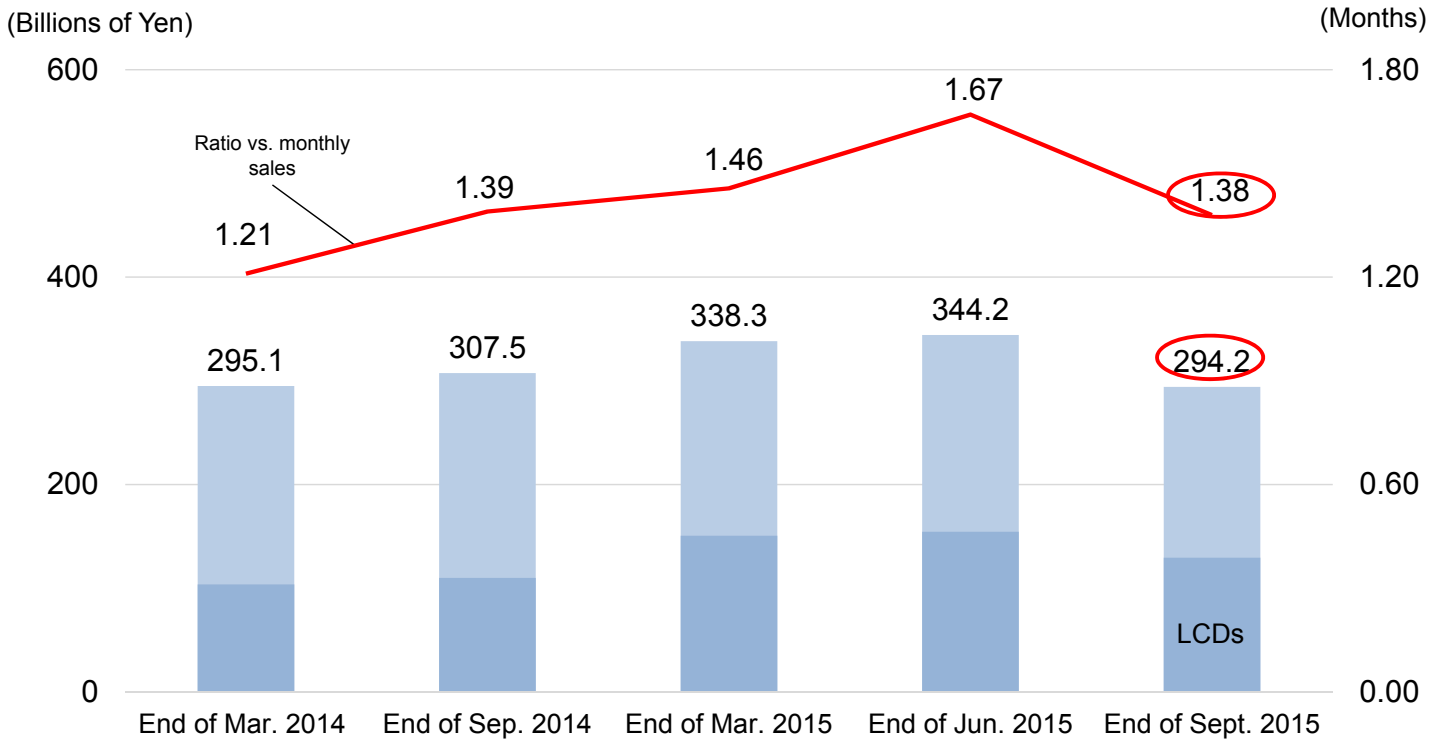
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9

- This slide shows the consolidated balance sheets.
- Net assets at the end of September 2015 decreased by 62.1 billion yen from the end of June 2015 to 180.9 billion yen, due to restructuring charges, an impairment loss, and other factors. The equity ratio decreased from 12.3% to 9.4% from the end of June 2015.

Transition of Inventories

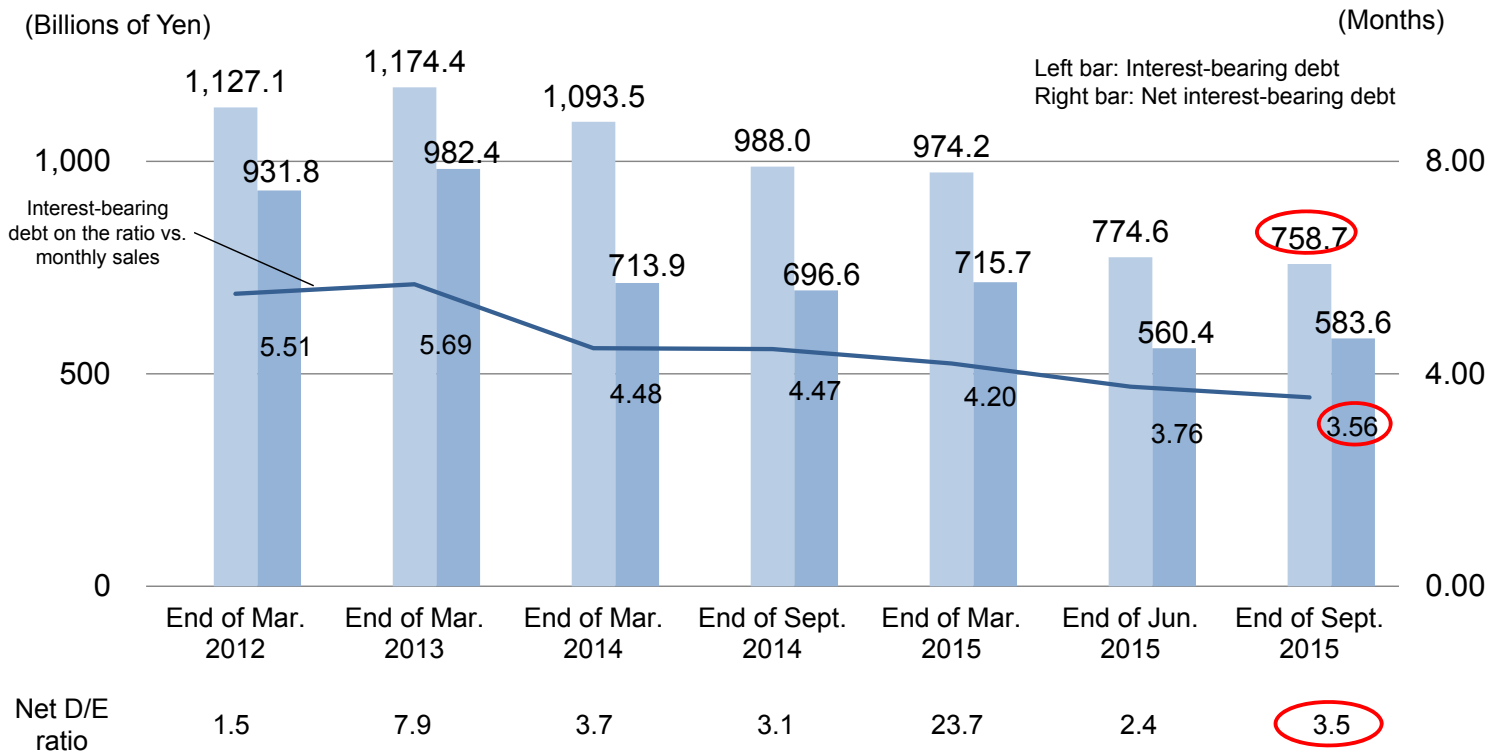
- Inventory was 294.2 billion yen, down 50 billion yen compared to the end of June 2015, and the ratio vs. monthly sales decreased from 1.67 months to 1.38 months during the same period.



- This slide shows transition of inventories.
- Inventories at the end of September 2015 decreased by 50.0 billion yen from the end of June 2015 to 294.2 billion yen due to efforts in inventory reduction. The ratio vs. monthly sales decreased by 0.29 months, reaching an equivalent level to the same period of last year.
- LCD inventories are gradually decreasing due to efforts to optimize stock levels.

Transition of Interest-Bearing Debt

- Interest-bearing debt at the end of September 2015 declined by 15.9 billion yen, in comparison to the end of June 2015. The ratio vs. monthly sales decreased from 3.76 months to 3.56 months.
- Net interest-bearing debt* increased from 560.4 billion yen at end of June 2015 to 583.6 billion yen.



*Net interest-bearing debt: interest-bearing debt – cash, time deposits, and restricted cash

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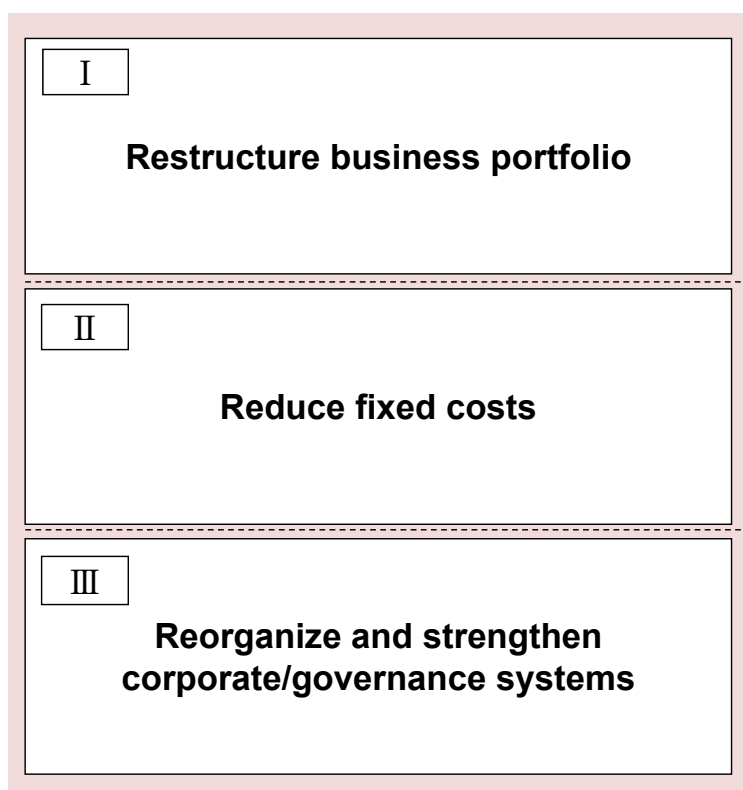
11

- This is the transition of interest-bearing debt.
- Interest-bearing debt at the end of September 2015 was 758.7 billion yen, a decrease of 15.9 billion yen compared to the end of June 2015. The net interest-bearing debt increased by 23.2 billion yen to 583.6 billion yen.
- In the second quarter, the net interest-bearing debt increased due to a decrease in cash and cash equivalents despite efforts to reduce inventories.
- Through continuous optimization of inventories and a decrease in capital investment, we will pursue improvement to our cash flow.

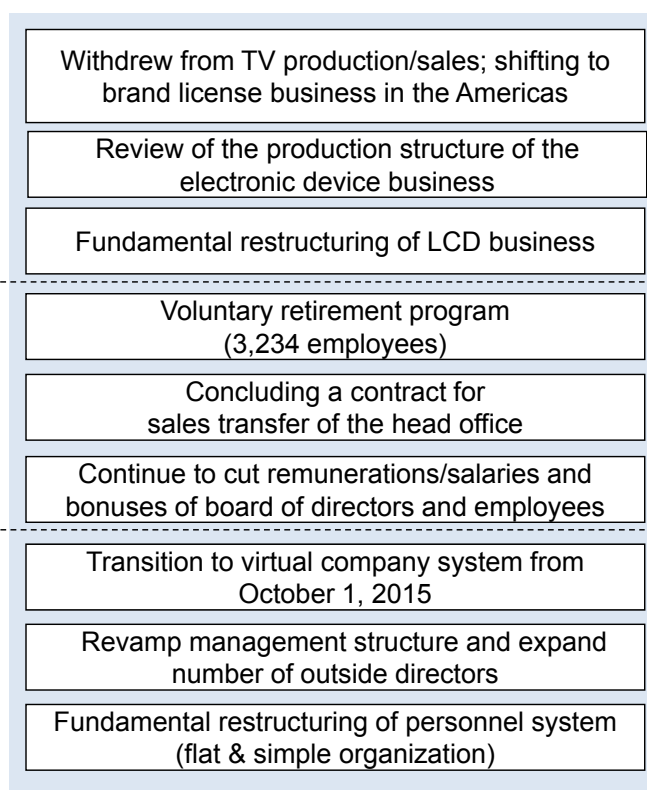
Implementation Status of Medium-Term Management Plan

Implementation of the three key strategies announced in the Medium-Term Management Plan is currently making steady progress.

Medium-Term Management Plan Three Key Strategies



Current Implementation Status



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12

- As shown, here are the three key strategies of our recently announced Medium-Term Management Plan. We have been implementing them according to the planned schedule.
- Newly initiated efforts include
 - review of the production structure of the Electronic Components and Devices businesses
 - fundamental structural reforms of the LCD business in response to rapid market changes.

We will continue to take decisive action in these areas.

II . Financial Results Forecast for Fiscal 2015

Financial Results Forecast for Fiscal 2015

- Based on the first half results, the current situation, and future estimates, we announced a revised Fiscal year forecast on October 26, 2015.
- Sharp Group intends to announce the forecast for 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.

(Billions of Yen)

	FY2015			
	1H Results	2H Forecast	Fiscal Year Forecast	Change (Y on Y)
Net Sales	1,279.6	1,420.3	2,700.0	-3.1%
Operating Income (margin)	-25.1 (-2.0%)	35.1 (2.5%)	10.0 (0.4%)	-

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14

- This is the forecast for fiscal 2015.
- We announced a revised fiscal year forecast on October 26, 2015 based on the first half results, the current situation, and future estimates.
- The Sharp Group intends to announce the forecast for 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.

Sales Forecast by Product Group

(Billions of Yen)

	FY2015				Forecast Difference (5/14)	FY2015
	1H Results	2H Forecast	Fiscal Year Forecast	Change (Y on Y)		Fiscal Year Forecast (5/14)
Digital Information Equipment	167.3	172.6	340.0	-18.6%	-30.0	370.0
Communications	117.6	92.3	210.0	-15.9%	-30.0	240.0
Health and Environmental Equipment	150.5	169.4	320.0	+1.6%	-20.0	340.0
Consumer Electronics	435.5	434.4	870.0	-11.4%	-80.0	950.0
Energy Solutions	78.7	101.2	180.0	-33.5%	0.0	180.0
Business Solutions	172.3	177.6	350.0	+1.9%	0.0	350.0
Product Business	686.6	713.3	1,400.0	-12.3%	-80.0	1,480.0
Electronic Components and Devices	243.2	286.7	530.0	+20.1%	+50.0	480.0
Display Devices	391.1	478.8	870.0	-4.1%	-130.0	1,000.0
Device Business	634.4	765.5	1,400.0	+3.8%	-80.0	1,480.0
Subtotal	1,321.0	1,478.9	2,800.0	-4.9%	-160.0	2,960.0
Adjustments	-41.3	-58.6	-100.0	-	+60.0	-160.0
Total	1,279.6	1,420.3	2,700.0	-3.1%	-100.0	2,800.0

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

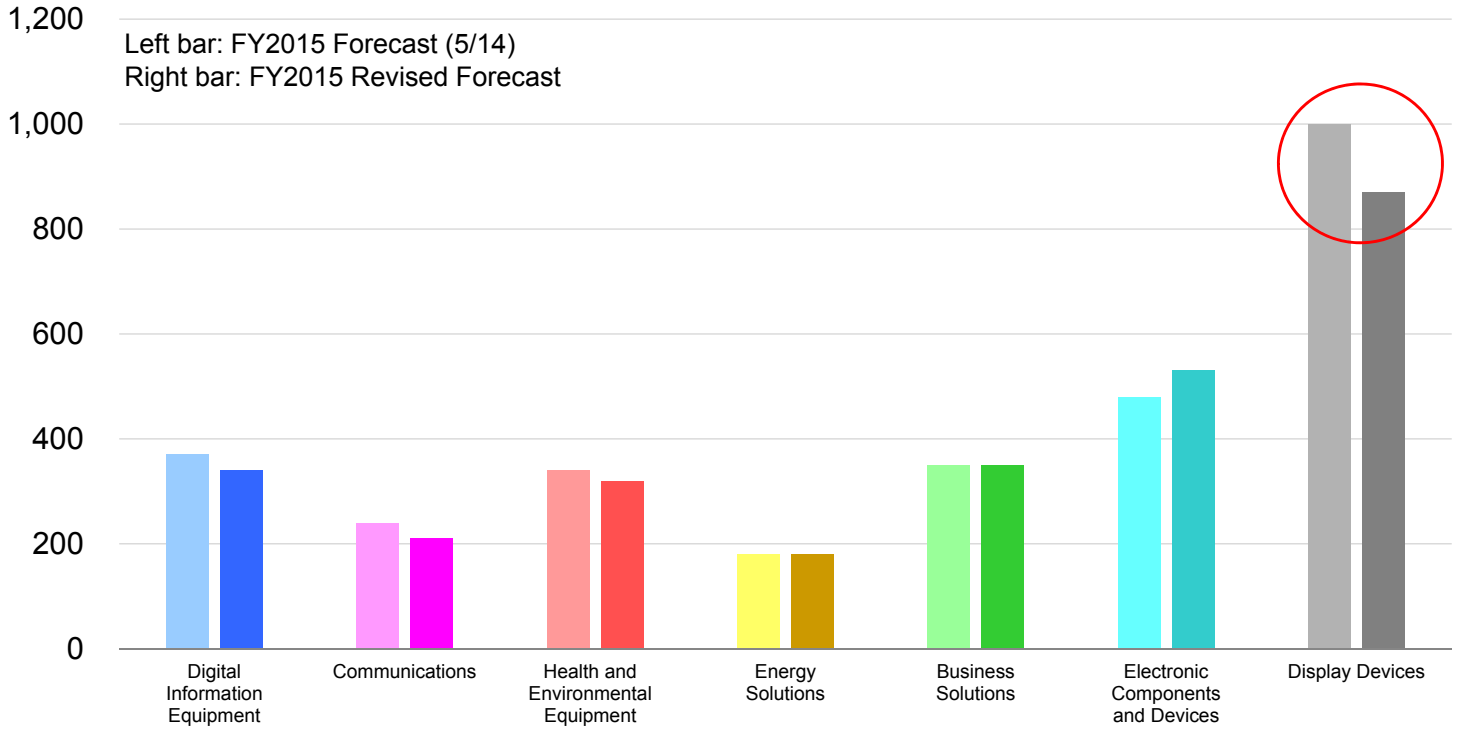
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15

- This shows the forecast sales by product group.
- We have made a downward revision in the forecast for Consumer Electronics and Display Devices, and an upward revision for Electronic Components and Devices.

Sales Forecast by Product Group

(Billions of Yen)



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

Operating Income Forecast by Product Group

(Billions of Yen)

	FY2015				Forecast difference (5/14)	FY2015
	1H Results	2H Forecast	Fiscal Year Forecast	Change (Y on Y)		Fiscal Year Forecast (5/14)
Digital Information Equipment	-15.0 (-9.0%)	2.0 (1.2%)	-13.0 (-3.8%)	-	-10.0	-3.0 (-0.8%)
Communications	10.5 (8.9%)	4.4 (4.9%)	15.0 (7.1%)	-4.8%	+4.0	11.0 (4.6%)
Health and Environmental Equipment	2.5 (1.7%)	11.4 (6.8%)	14.0 (4.4%)	-12.1%	0.0	14.0 (4.1%)
Consumer Electronics	-1.9 (-0.5%)	17.9 (4.1%)	16.0 (1.8%)	-16.2%	-6.0	22.0 (2.3%)
Energy Solutions	-2.6 (-3.4%)	5.6 (5.6%)	3.0 (1.7%)	-	-2.0	5.0 (2.8%)
Business Solutions	16.7 (9.7%)	19.2 (10.8%)	36.0 (10.3%)	+15.0%	+3.0	33.0 (9.4%)
Product Business	12.1 (1.8%)	42.8 (6.0%)	55.0 (3.9%)	-	-5.0	60.0 (4.1%)
Electronic Components and Devices	8.0 (3.3%)	9.9 (3.5%)	18.0 (3.4%)	26.6 -fold	+8.0	10.0 (2.1%)
Display Devices	-26.4 (-6.8%)	-3.5 (-0.7%)	-30.0 (-3.4%)	-	-75.0	45.0 (4.5%)
Device Business	-18.4 (-2.9%)	6.4 (0.8%)	-12.0 (-0.9%)	-	-67.0	55.0 (3.7%)
Subtotal	-6.3 (-0.5%)	49.3 (3.3%)	43.0 (1.5%)	-	-72.0	115.0 (3.9%)
Adjustments	-18.8	-14.1	-33.0	-	+2.0	-35.0
Total	-25.1 (-2.0%)	35.1 (2.5%)	10.0 (0.4%)	-	-70.0	80.0 (2.9%)

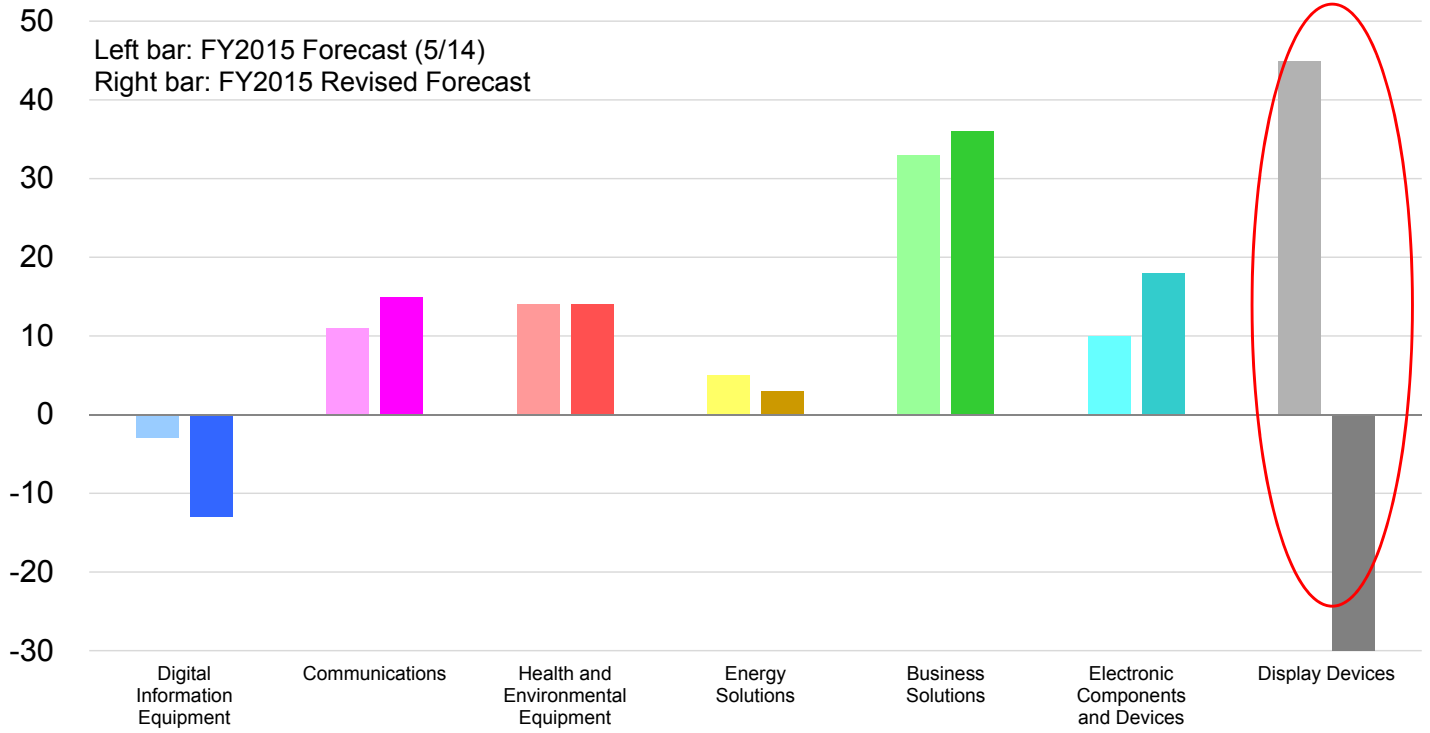
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*Figures within parentheses indicate operating margin. **17**

- As you see here, we have revised the forecast for operating income by product group, considering first half results and sales forecast revisions, and by factoring in various risks and measures.
- We will explain the details of the sales and operating income of each product group accordingly.

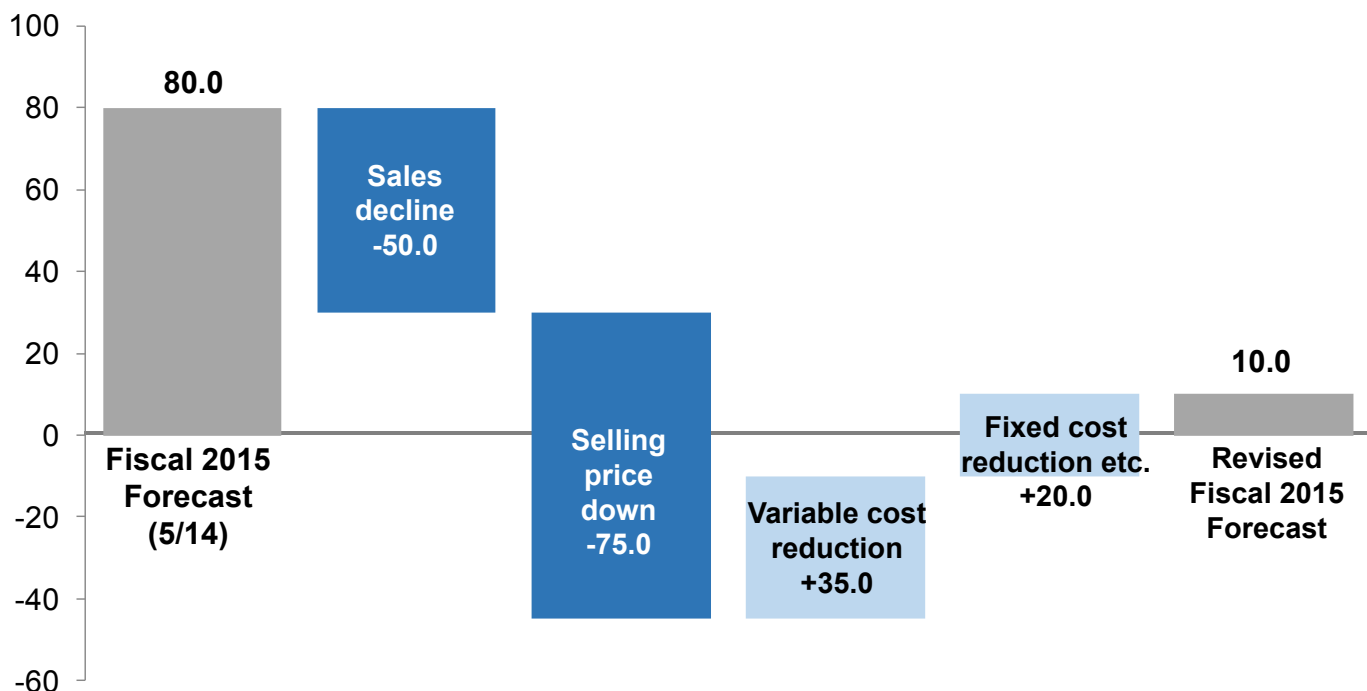
Operating Income Forecast by Product Group

(Billions of Yen)



Analysis of Difference in Operating Income for Fiscal 2015 (May 14 Forecast vs. Revised Forecast)

(Billions of Yen)



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19

- This graph shows the difference between the operating income forecast that was announced at the beginning of the fiscal year and the revised operating income forecast.
- The discrepancies in earnings targets and results for the first half of the fiscal year were mainly due to the decline in sales of smartphone LCDs and the selling price fall from intensified competition in the Chinese market. These were far beyond our expectations.
- In light of drastic changes in the business environment, we have made revisions to our forecasts. Our review covers all product groups, taking into consideration various risks, such as declines in sales and selling prices.
- Much of the decline in Sharp's profits is attributed to Display Devices. Hence, the revised figures factor in various risks accordingly.

III. Information by Product Group

- Next, we will explain the details by product group.

Introduction to Virtual Company System and Vision

•Effective from October 1, 2015, Sharp has shifted to virtual company system accelerating the expansion speed of each businesses.

Company	Vision	Current Measures & Achievements
Consumer Electronics	Innovation by fusions of technology in Japan and Asia as the main market	<ul style="list-style-type: none"> • New products combining AI and IoT (RoBoHoN, "TOMODACHI KADEN " friend appliance concept) • Market share expansion of the 4K TV in Japanese market • Creating Sharp one-of-a-kind new products (Healsio Hot Cook, S-style*, etc.) <p style="text-align: right;"><i>*new stylish air purifier product</i></p>
Energy Solutions	Shift to local fit solution business	<ul style="list-style-type: none"> • Strengthen the foundation of solutions business (development of DC air conditioner, sales expansion of storage batteries) • Establishment of a new company to expand EPC business in Thailand • Strengthen the residential solar business in Japan (commercialize solar cell module that achieves 19% conversion efficiency—the industry's best in class)
Business Solutions	Utilization of current product line-up and customer basis & Global solution business expansion with proactive investment increase	<ul style="list-style-type: none"> • Steady expansion of current businesses (model change of full-color MFPs for first time in three years) • Strategic expansion of BIG PAD into the education market (sales to Ritsumeikan University) • Robotics business expansion as a key segment (security, concierge, commercial vacuum cleaners, etc.)
Electric Components and Devices	Shift to value-added segment centered by sensing business	<ul style="list-style-type: none"> • Steady expansion of camera module business (up 92% over same period last year) • Improved competitiveness via shift to high-value-added fields <ul style="list-style-type: none"> –Initiate sales of Sharp's color night-vision camera in high-potential fields –Release of line-up of new sensor products for detecting dust, PM2.5, and environmental factors
Display Devices	Gaining stable customers by utilizing the technology advantage and expansion of high-value-added panels	<ul style="list-style-type: none"> • On road to increased sales in the PC field, tapping new major smartphone customers • Reduce fluctuating expenses by revamping procurement and by revamping system for design and product promotion to customers • Expansion of high-value-added panels (announcement of see-through display, curved Free-Form Display, joint development with U.S. company Kymeta of satellite antennas, etc.)

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21

- On October 1, we started operation under a new virtual company system.
- As the direction mentioned in our Medium-Term Management Plan, we are in the process of restructuring our business portfolio and making steady achievements.

Consumer Electronics

(Billions of Yen)

	FY2015						FY2015		
	1H	Change (Y on Y)	2H Forecast	Change (Y on Y)	Fiscal Year Forecast	Change (Y on Y)	5/14 Forecast		
							1H	2H	Fiscal Year
Sales	435.5	-11.9%	434.4	-11.0%	870.0	-11.4%	455.0	495.0	950.0
Digital Information Equipment	167.3	-21.0%	172.6	-16.1%	340.0	-18.6%	170.0	200.0	370.0
Communications	117.6	-1.6%	92.3	-29.1%	210.0	-15.9%	120.0	120.0	240.0
Health and Environmental Equipment	150.5	-7.5%	169.4	+11.3%	320.0	+1.6%	165.0	175.0	340.0
Operating Income (margin)	-1.9 (-0.5%)	-	17.9 (4.1%)	4.7-fold	16.0 (1.8%)	-16.2%	1.0 (0.2%)	21.0 (4.2%)	22.0 (2.3%)
Digital Information Equipment	-15.0	-	2.0	-	-13.0	-	-9.0	6.0	-3.0
Communications	10.5	+46.1%	4.4	-47.5%	15.0	-4.8%	4.0	7.0	11.0
Health and Environmental Equipment	2.5	-67.3%	11.4	+40.3%	14.0	-12.1%	6.0	8.0	14.0

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

FY2015 1H Results (Y on Y)	FY2015 Fiscal Year Forecast (Against May 14 Forecast)
<ul style="list-style-type: none"> • Sales: 11.9% decrease • Operating income: 17.2 billion yen decrease 	<ul style="list-style-type: none"> • Sales: Downturn by 80 billion yen • Operating income: Downturn by 6 billion yen

Current Measures & Achievements

- New products combining AI and IoT (RoBoHoN, "TOMODACHI KADEN" friend appliance concept)
- Market share expansion of the 4K TV in Japanese market
- Creating Sharp one-of-a-kind new products (Healsio Hot Cook, S-style*, etc.) **new stylish air purifier product*

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22

- First, we will look at Consumer Electronics. This group was formed by integrating and reorganizing the Digital Information Equipment, Communications, and Health and Environmental Equipment divisions.
- The purpose of establishing the Consumer Electronics Company is to make the most of Sharp's unique strengths as a corporation engaged in the television, communications, and home appliances businesses. Furthermore, through user oriented perspectives, we aim for creative products through a fusion of the consumer electronics and communications segments.
- As a start, in October this year, we launched a totally new consumer electronics that integrate AI and IoT. That is the robot smartphone, "RoBoHoN," unveiled at CEATEC Japan.
- We plan further product innovations, especially focusing on the Japanese and Asian markets. We also plan to find an optimal location for manufacturing operations in Asia and elsewhere.

(Consumer Electronics) Digital Information Equipment

(Billions of Yen)

	FY2015						FY2015		
	1H	Change (Y on Y)	2H Forecast	Change (Y on Y)	Fiscal Year Forecast	Change (Y on Y)	5/14 Forecast		
							1H	2H	Fiscal Year
Sales	167.3	-21.0%	172.6	-16.1%	340.0	-18.6%	170.0	200.0	370.0
LCD TVs	154.6	-18.2%	155.3	-14.1%	310.0	-8.1%	160.0	180.0	340.0
Operating Income	-15.0	-	2.0	-	-13.0	-	-9.0	6.0	-3.0
(margin)	(-9.0%)		(1.2%)		(-3.8%)		(-5.3%)	(3.0%)	(-0.8%)

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

FY2015 1H Results (Y on Y)	FY2015 Fiscal Year Forecast (Against May 14 Forecast)
<ul style="list-style-type: none"> • Sales: 21.0% decrease • Operating income: 15.3 billion yen decrease 	<ul style="list-style-type: none"> • Sales: Downturn by 30 billion yen • Operating Income: Downturn by 10 billion yen

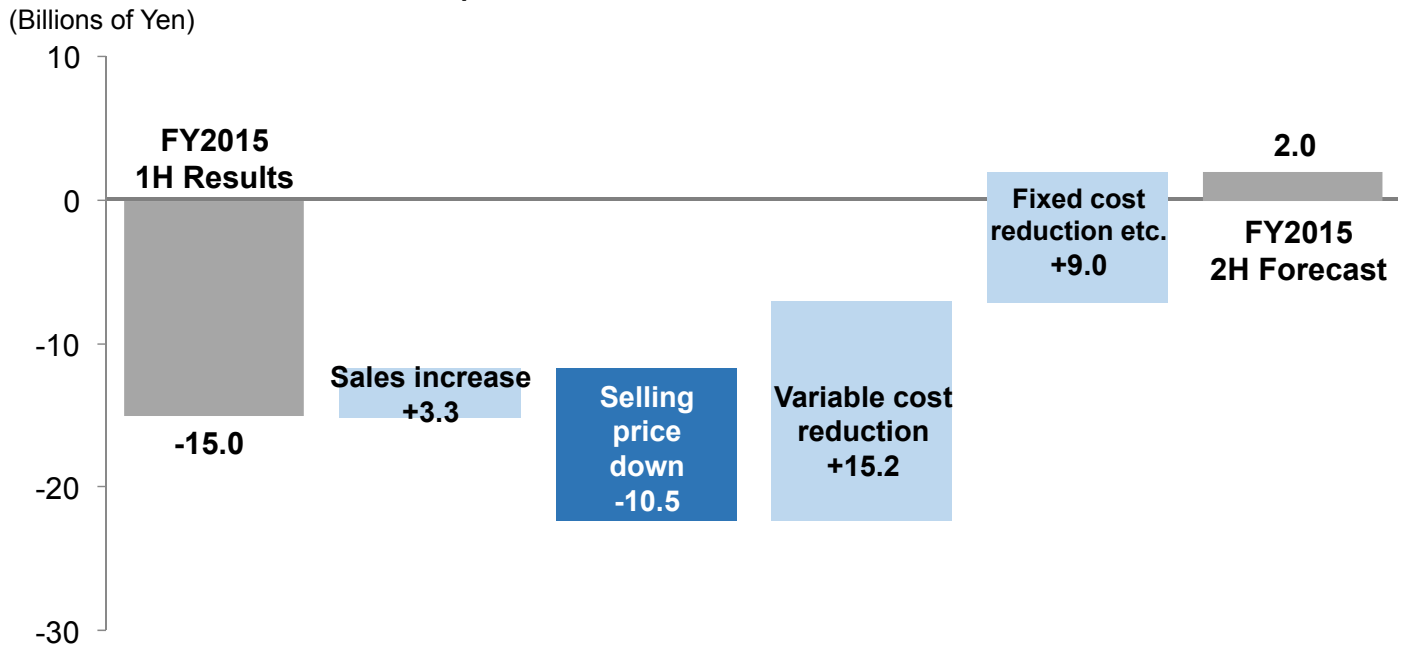
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23

- Here are the figures for Digital Information Equipment.
- In Japan, sales of LCD TVs showed growth. Nevertheless, overall sales in all regions were down compared to the same period last year, owing to factors such as the deceleration in the Chinese economy.
- Operating income turned out to be below our forecast of the fiscal year top, due to aggressive structural reforms including measures towards channel inventories in China. However, for the second quarter, we were able to return to profitability and were back in the black.
- For the LCD TV business, we are continuing our expansion of high-value-added models, for example, by augmenting our 4K TV lineup. As a result, our share of the 4K TV market in Japan has grown considerably. We will deploy the high-value-added model strategy for overseas markets as well, focusing on Asia.
- For the fiscal year forecast, we have revised both sales and operating loss.

(Consumer Electronics) Digital Information Equipment

FY2015 2H Analysis of Difference in Operating Income (1H Results and 2H Forecast)



- We have revised the operating income for the second half of the fiscal year, taking into account factors such as the prolonged stagnation of the Chinese economy and intensifying price competition.
- We will strive for a profit improvement of 17.0 billion yen in comparison with results for the first half of the fiscal year, and form a stable earnings structure.

These are to be achieved by increasing sales of LCD TVs in the Japanese market, by reducing costs through structural reforms, and through other efforts, while also considering selling price falls from intensifying price competition.

(Consumer Electronics) Communications

(Billions of Yen)

	FY2015						FY2015		
	1H	Change (Y on Y)	2H Forecast	Change (Y on Y)	Fiscal Year Forecast	Change (Y on Y)	5/14 Forecast		
							1H	2H	Fiscal Year
Sales	117.6	-1.6%	92.3	-29.1%	210.0	-15.9%	120.0	120.0	240.0
Mobile phones	83.5	-2.8%	76.4	-29.0%	160.0	-17.4%	96.2	98.8	195.0
Operating Income	10.5	+46.1%	4.4	-47.5%	15.0	-4.8%	4.0	7.0	11.0
(margin)	(8.9%)		(4.9%)		(7.1%)		(3.3%)	(5.8%)	(4.6%)

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

FY2015 1H Results (Y on Y)	FY2015 Fiscal Year Forecast (Against May 14 Forecast)
<ul style="list-style-type: none"> • Sales: 1.6% decrease • Operating income: 46.1% increase 	<ul style="list-style-type: none"> • Sales: Downturn by 30 billion yen • Operating income: Upturn by 4 billion yen

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25

- The first half of the fiscal year saw a decrease in sales due to the decline in mobile phone sales. Operating income, on the other hand, was up 46.1% due to efforts in cost reduction. We therefore secured an operating income margin of 8.9%.

- In the mobile phone business, we plan to differentiate our products from market competitors by releasing models with enhanced design and specs.

Some examples are models equipped with Sharp's unique "Emopa" feature and models with higher-spec cameras and displays. We will also provide next-generation featured models to multiple carriers as well as expand our lineup of MVNO phones.

- For the fiscal year sales forecast, we have revised it downward, taking into account the intensifying competition in the Japanese mobile phone market. Meanwhile, operating income has been revised upward, reflecting results for the first half of the fiscal year and the launch of new businesses.

(Consumer Electronics) Health and Environmental Equipment

(Billions of Yen)

	FY2015						FY2015		
	1H	Change (Y on Y)	2H Forecast	Change (Y on Y)	Fiscal Year Forecast	Change (Y on Y)	5/14 Forecast		
							1H	2H	Fiscal Year
Sales	150.5	-7.5%	169.4	+11.3%	320.0	+1.6%	165.0	175.0	340.0
Operating Income (margin)	2.5 (1.7%)	-67.3%	11.4 (6.8%)	+40.3%	14.0 (4.4%)	-12.1%	6.0 (3.6%)	8.0 (4.6%)	14.0 (4.1%)

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

FY2015 1H Results (Y on Y)	FY2015 Fiscal Year Forecast (Against May 14 Forecast)
<ul style="list-style-type: none"> • Sales: 7.5% decrease • Operating income: 67.3% decrease 	<ul style="list-style-type: none"> • Sales: Downturn by 20 billion yen • Operating income: No change

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26

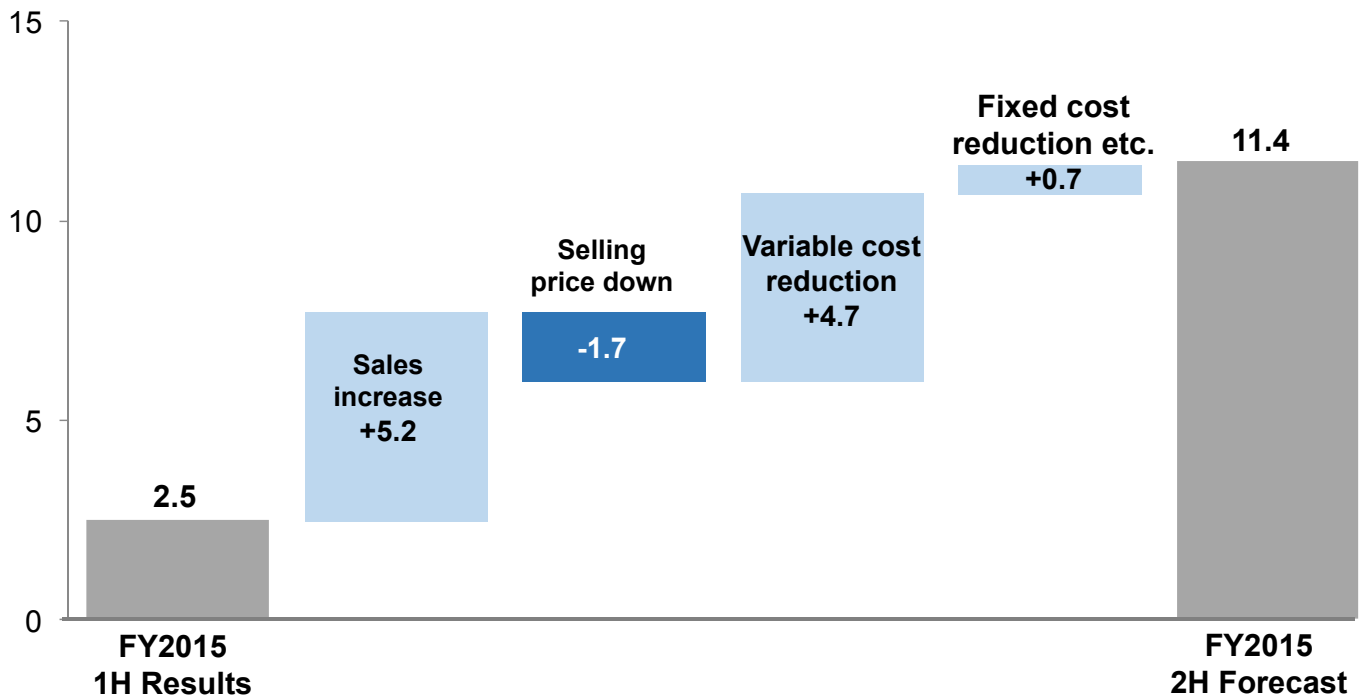
- Next is Health and Environmental Equipment.
- The first half of the fiscal year saw a decrease in sales due to sluggish sales of seasonal products in the Japanese market and a shrinking of demand for air purifiers in China. Also, worsening earnings from domestic sales—caused by a weak yen—led to decreased sales and profit.
- We have revised the fiscal year sales forecast downward, reflecting results for the first half of the fiscal year. The operating income forecast remains as previously announced, taking into account a recovery in earnings in the second half.

This recovery will be possible due to the launch of new category products such as the Healsio Hot Cook electric waterless cooker, by expanding sales of air purifiers and other PCI products, improvements in the product model mix, further cost reductions, and the effects of structural reforms.

(Consumer Electronics) Health and Environmental Equipment

FY2015 2H Analysis of Difference in Operating Income (1H Results and 2H Forecast)

(Billions of Yen)



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27

- In comparing first-half operating income results to our forecast for second-half operating income, we are aiming for an increase in operating income of 9.0 billion yen compared to the first half of the fiscal year.

As explained earlier, this will become achievable through the launch of new products, expanded sales of PCI products, and cost reductions.

Energy Solutions

(Billions of Yen)

	FY2015						FY2015		
	1H	Change (Y on Y)	2H Forecast	Change (Y on Y)	Fiscal Year Forecast	Change (Y on Y)	5/14 Forecast		
							1H	2H	Fiscal Year
Sales	78.7	-44.9%	101.2	-20.8%	180.0	-33.5%	80.0	100.0	180.0
Operating Income (margin)	-2.6 (-3.4%)	-	5.6 (5.6%)	-	3.0 (1.7%)	-	1.0 (1.3%)	4.0 (4.0%)	5.0 (2.8%)

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

FY2015 1H Results (Y on Y)	FY2015 Fiscal Year Forecast (Against May 14 Forecast)
<ul style="list-style-type: none"> • Sales: 44.9% decrease • Operating income: 2.3 billion yen decrease 	<ul style="list-style-type: none"> • Sales: No change • Operating income: Downturn by 2 billion yen

Current Measures & Achievements

- Strengthen the foundation of solutions business (development of DC air conditioner, sales expansion of storage batteries)
- Establishment of a new company to expand EPC business in Thailand
- Strengthen the residential solar business in Japan (commercialize solar cell module that achieves 19% conversion efficiency—the industry's best in class)

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28

- Sales were down due to factors such as reviews of the business portfolio and aggressive structural reforms. The latter includes the sell off of Sharp's subsidiary (solar power generation developer) in the US during the previous fiscal year.
- Operating income was in the red for the first half of the fiscal year, owing to a revaluation of the polysilicon price. In the second quarter, we returned to profitability as a positive effect of structural reforms including a review of the supply chain.
- Against this backdrop, we are heading towards expansion of Energy Solutions in Japan by increasing sales of storage cells, by developing the DC air conditioner, and through other efforts. We will also work to expand Energy Solutions through further localization—for example, by establishing a new subsidiary in Thailand for developing the EPC business in Asia.
- As for the fiscal year forecast, we have revised the figure for operating income.

Business Solutions

(Billions of Yen)

	FY2015						FY2015		
	1H	Change (Y on Y)	2H Forecast	Change (Y on Y)	Fiscal Year Forecast	Change (Y on Y)	5/14 Forecast		
							1H	2H	Fiscal Year
Sales	172.3	+3.8%	177.6	+0.2%	350.0	+1.9%	165.0	185.0	350.0
Operating Income (margin)	16.7 (9.7%)	+5.2%	19.2 (10.8%)	+25.2%	36.0 (10.3%)	+15.0%	15.0 (9.1%)	18.0 (9.7%)	33.0 (9.4%)

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

FY2015 1H Results (Y on Y)	FY2015 Fiscal Year Forecast (Against May 14 Forecast)
<ul style="list-style-type: none"> • Sales: 3.8% increase • Operating income: 5.2% increase 	<ul style="list-style-type: none"> • Sales: No change • Operating income: Upturn by 3 billion yen

Current Measures & Achievements

- Steady expansion of current businesses (model change of full-color MFPs for first time in three years)
- Strategic expansion of BIG PAD into the education market (sales to Ritsumeikan University)
- Robotics business expansion as a key segment (security, concierge, commercial vacuum cleaners, etc.)

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29

- For Business Solutions, sales increased by 3.8% over the same period last year due to enhanced sales of color MFPs overseas.
- Operating income was up by 5.2% over the same period last year owing to factors including model mix improvements. We achieved an operating income margin of 9.7%.
- We are embarking on several strategies; for example, sales ratio improvements of color MFPs, which underwent the first model change in three years, boosting solutions sales, and launching IT services. We are also executing new businesses, such as robotics, that are expected to drive our future growth.
- Overall, we have upwardly revised the fiscal year forecast for operating income due to an improved outlook in the model mix resulting from the release of new models.

Electronic Components and Devices

(Billions of Yen)

	FY2015						FY2015		
	1H	Change (Y on Y)	2H Forecast	Change (Y on Y)	Fiscal Year Forecast	Change (Y on Y)	5/14 Forecast		
							1H	2H	Fiscal Year
Sales	243.2	+62.4%	286.7	-1.7%	530.0	+20.1%	200.0	280.0	480.0
Operating Income (margin)	8.0 (3.3%)	-	9.9 (3.5%)	3.2-fold	18.0 (3.4%)	26.6-fold	3.0 (1.5%)	7.0 (2.5%)	10.0 (2.1%)

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

FY2015 1H Results (Y on Y)	FY2015 Fiscal Year Forecast (Against May 14 Forecast)
<ul style="list-style-type: none"> • Sales: 62.4% increase • Operating income: 10.4 billion yen increase 	<ul style="list-style-type: none"> • Sales: Upturn by 50 billion yen • Operating income: Upturn by 8 billion yen

Current Measures & Achievements

- Steady expansion of camera module business (up 92% over same period last year)
- Improved competitiveness via shift to high-value-added fields
 - Initiate sales of Sharp's color night-vision camera in high-potential fields
 - Release of line-up of new sensor products for detecting dust, PM2.5, and environmental factors

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30

- Sales increased by 62.4% in comparison to the same period last year owing to the remarkable growth in camera modules for mobile devices.
- Operating income was in the black, with an increase of 10.4 billion yen over the same period last year. This was due to sales expansion and to the effects of structural reforms and cost reductions.
- Shifting our business focus to high-value-added areas, as announced in our Medium-Term Management Plan, we are gaining solid results the fields of in security, night-vision, and in-vehicle cameras, in dust detectors, and in PM2.5 detectors. This was achieved through design-in and aggressive sales expansion activities.
- We will continue expanding our existing businesses and accelerating the shift from the device business to the solutions business, which is a growth area. By downsizing our assets, we will focus and consolidate our businesses segments, thus enhancing competitiveness.
- As for fiscal year forecasts, we have upwardly revised both sales and operating income, in anticipation of positive sales of camera modules and increased sales of high-value-added modules.

Display Devices

(Billions of Yen)

	FY2015						FY2015		
	1H	Change (Y on Y)	2H Forecast	Change (Y on Y)	Fiscal Year Forecast	Change (Y on Y)	5/14 Forecast		
							1H	2H	Fiscal Year
Sales	391.1	-15.1%	478.8	+7.3%	870.0	-4.1%	480.0	520.0	1,000.0
Operating Income (margin)	-26.4 (-6.8%)	-	-3.5 (-0.7%)	-	-30.0 (-3.4%)	-	8.0 (1.7%)	37.0 (7.1%)	45.0 (4.5%)

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

FY2015 1H Results (Y on Y)	FY2015 Fiscal Year Forecast (Against May 14 Forecast)
<ul style="list-style-type: none"> • Sales: 15.1% decrease • Operating income: 47.3 billion yen decrease 	<ul style="list-style-type: none"> • Sales: Downturn by 130 billion yen • Operating income: Downturn by 75 billion yen

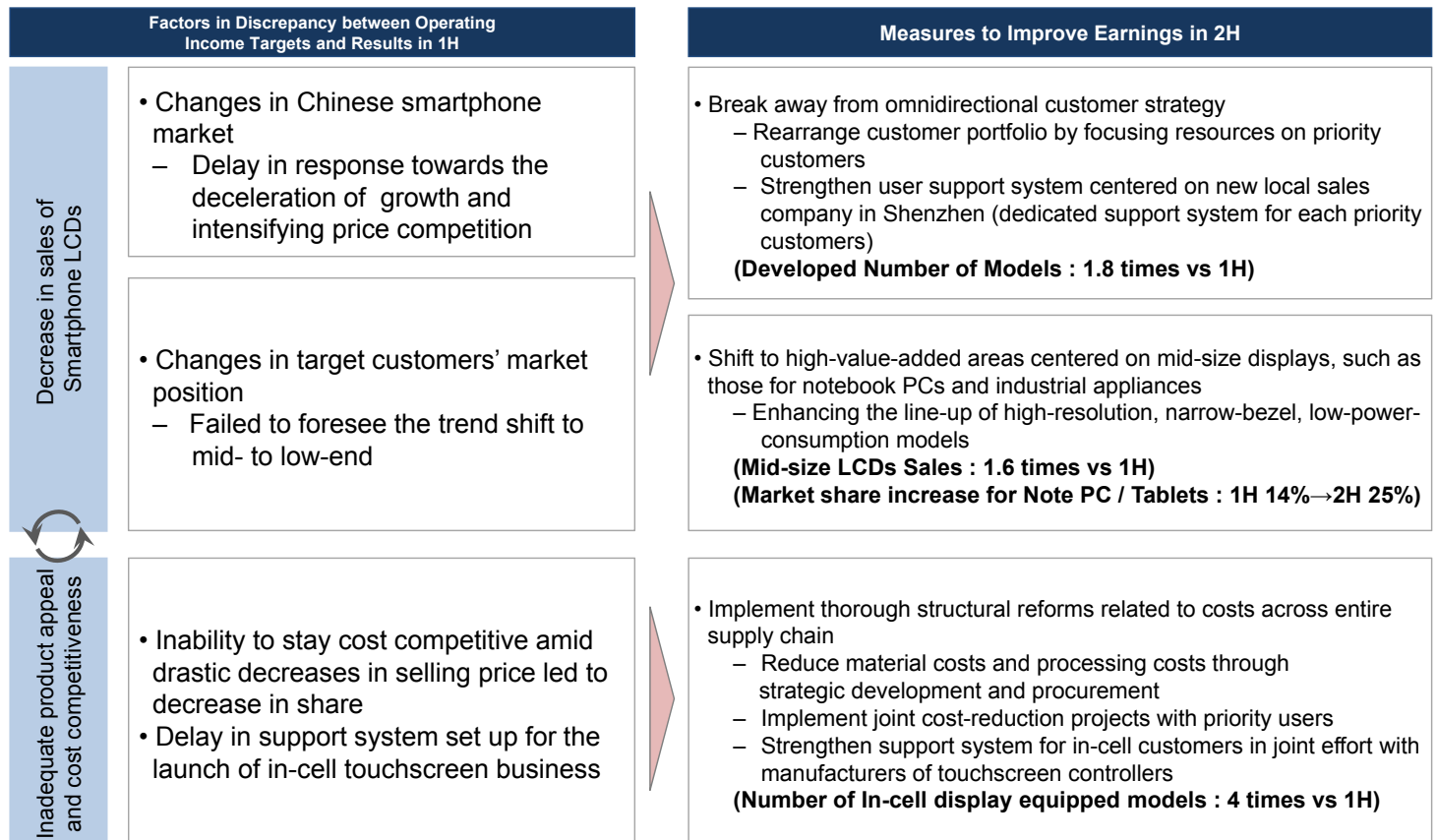
Current Measures & Achievements

- On road to increased sales in the PC field, tapping new major smartphone customers
- Reduce fluctuating expenses by revamping procurement and by revamping system for design and product promotion to customers
- Expansion of high-value-added panels (announcement of see-through display, curved Free-Form Display, joint development with U.S. company Kymeta of satellite antennas, etc.)

- Finally, let's look at Display Devices.
- Revenue and profit decreased significantly: sales of small- and medium-size LCDs for Chinese market smartphones declined, and intensifying competition led to price falls.
- Although significant revenue and profit increases are expected in the second half of the fiscal year, we have downwardly revised the fiscal year forecast for sales and operating income considering the future market environment and various risk factors.

Display Devices

Factors in Discrepancy between Operating Income Target and Results in 1H FY2015 & Measures to Improve Earnings in 2H



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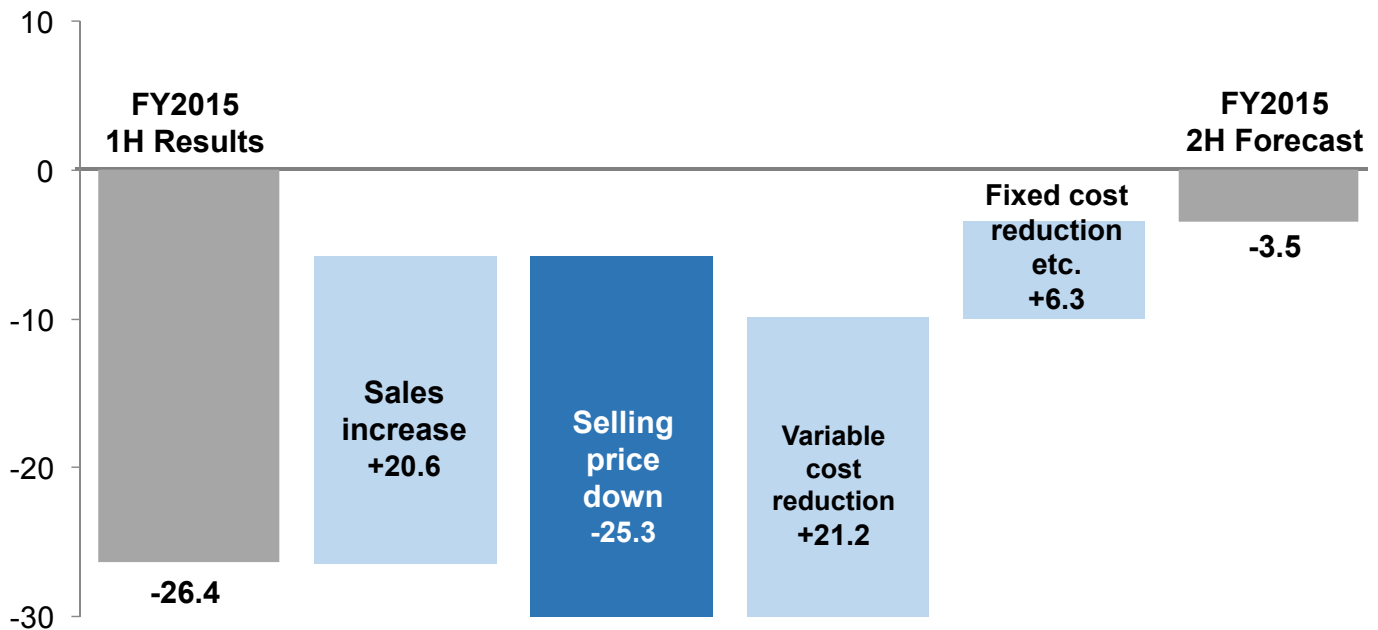
32

- Here are outlined the main factors in the discrepancy between our operating income targets and results, along with our measures for earning improvements.
- The main factors of discrepancy in the first half of the fiscal year for Display Devices were the sales decline of smartphone LCDs, inadequate product appeal, and cost competitiveness.
- Measures to improve earnings in the second half of the fiscal year include focusing resources on priority users segments and enhancing the user support system. We will also shift to high-value-added medium-size LCDs. In addition, we will execute structural reforms and cost innovations across the entire supply chain, as explained in our Medium-Term Management Plan.

Display Devices

FY2015 2H Analysis of Difference in Operating Income (1H Results and 2H Forecast)

(Billions of Yen)



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33

- We foresee the tough business environment continuing in the second half of the fiscal year, as we anticipate a major decline in selling prices, intensifying competition, and other factors. By adopting the aforementioned measures, we aim to achieve an increase in operating income of 23.0 billion yen compared to the first half of the fiscal year.
- Display Devices was the major factor in the discrepancy between the fiscal beginning forecast and the revised forecast of the fiscal year. We will strive to create a solid earnings structure by harnessing our technological advantages to establish a stable customer base and expand in sales of high-value-added LCDs.

IV. Supplementary Data

- As supplementary data, we have prepared material on sales of main products, capital investment, depreciation, and other results.
- Though Sharp has recovered in the second quarter compared to the first quarter, our financial results fell from our forecast at the beginning of the fiscal year.
- We acknowledge that Sharp is still in a tough situation. Therefore, we will speed up the progress of our various structural reforms and take every possible action to achieve the revised fiscal year targets.
- Thank you very much.

Sales of Main Products

(Billions of Yen)

	FY2014			FY2015			
	1H	2H	Fiscal Year	1H	2H Forecast	Fiscal Year Forecast	Change (Y on Y)
LCD TVs	189.1	180.8	370.0	154.6	155.3	310.0	-16.2%
Unit (million units)	3.60	3.43	7.03	2.99	2.90	5.90	-16.2%
Mobile Phones	85.9	107.6	193.6	83.5	76.4	160.0	-17.4%
Unit (million units)	2.41	3.15	5.56	2.26	1.73	4.00	-28.1%
Refrigerators	47.9	45.6	93.5	48.2	48.7	97.0	+3.7%
Air Conditioners	42.1	21.3	63.5	36.0	27.9	64.0	+0.7%
Copiers / Printers	73.4	78.5	152.0	78.2	81.7	160.0	+5.2%
CCD / CMOS Imagers	103.5	235.5	339.1	198.9	231.0	430.0	+26.8%

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35

Sales of Main Products by Quarter

(Billions of Yen)

	FY2014				FY2015	
	1Q	2Q	3Q	4Q	1Q	2Q
LCD TVs	85.7	103.3	104.3	76.5	64.1	90.5
Unit (million units)	1.73	1.86	1.74	1.68	1.41	1.58
Mobile Phones	49.6	36.2	64.1	43.5	44.1	39.4
Unit (million units)	1.23	1.17	1.79	1.35	1.01	1.25
Refrigerators	23.9	24.0	22.1	23.4	23.0	25.1
Air Conditioners	23.6	18.4	8.0	13.3	20.6	15.3
Copiers / Printers	34.3	39.1	38.2	40.3	37.2	40.9
CCD / CMOS Imagers	38.8	64.7	129.3	106.2	110.8	88.0

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36

Capital Investment and Depreciation, etc.

(Billions of Yen)

	FY2014			FY2015			
	1H	2H	Fiscal Year	1H	2H Forecast	Fiscal Year Forecast	Change (Y on Y)
Capital Investment	31.2	31.3	62.6	20.9	39.0	60.0	-4.2%
LCDs	12.9	19.0	31.9	8.9	19.0	28.0	-12.4%
Depreciation and Amortization	49.9	52.6	102.6	33.7	46.2	80.0	-22.0%
R&D Expenditures	65.8	75.1	141.0	68.6	71.3	140.0	-0.7%

(Yen)

Exchange Rate	FY2014			FY2015	
	1H	2H	Fiscal Year	1H	2H Forecast
US Dollar	102.05	115.83	108.94	120.80	120.00
Euro	137.41	137.14	137.28	133.57	135.00

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37

Capital Investment and Depreciation, etc. by Quarter

(Billions of Yen)

	FY2014				FY2015	
	1Q	2Q	3Q	4Q	1Q	2Q
Capital Investment	14.5	16.6	9.3	22.0	9.7	11.1
LCDs	5.7	7.1	4.3	14.7	3.8	5.1
Depreciation and Amortization	24.4	25.5	26.5	26.0	18.0	15.7
R&D Expenditures	34.4	31.4	38.1	37.0	36.3	32.3

(Yen)

Exchange Rate	FY2014				FY2015	
	1Q	2Q	3Q	4Q	1Q	2Q
US Dollar	101.16	102.93	113.55	118.10	120.37	121.24
Euro	138.56	136.26	141.59	132.68	132.66	134.48

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38

Overseas Sales by Region

Top: Sales (Billions of yen)
Bottom : Composition ratio (%)

	FY2014			FY2015
	1H	2H	Fiscal Year	1H
The Americas	165.6 19.9%	155.2 15.8%	320.9 17.7%	160.0 18.0%
Europe	71.4 8.6%	71.0 7.2%	142.5 7.8%	69.9 7.8%
China	487.8 58.6%	653.0 66.3%	1,140.8 62.8%	554.3 62.2%
Other	107.7 12.9%	105.6 10.7%	213.4 11.7%	106.4 12.0%
Total	832.7 100.0%	985.1 100.0%	1,817.8 100.0%	890.7 100.0%