



## **Consolidated Financial Results for the Year Ended March 31, 2012**

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- I . Financial Results for Fiscal 2011**
  - II . Financial Results by Product Group**
  - III . Outline of Main Products and Devices**
  - IV . Financial Results Forecast for Fiscal 2012**
  - V . Conclusion**
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**SHARP CORPORATION**

April 27, 2012

#### **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 performance 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 such 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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## Key Points

[FY2011]

- Recorded large losses due to booking of costs to reinforce business foundations and extraordinary expenses (inventory write-down, restructuring charges, reversal of deferred tax assets, etc.) in addition to significant decline in sales for main products and devices.

[FY2012]

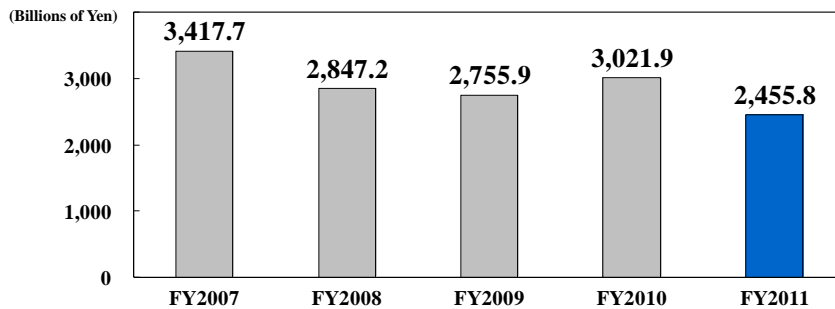
- Difficult business condition will continue in the first half, leading to continuous losses.
- Work to turn profits into positive figures in the second half, through a business recovery centering on mobile LCDs.

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## I . Financial Results for Fiscal 2011

### Net Sales

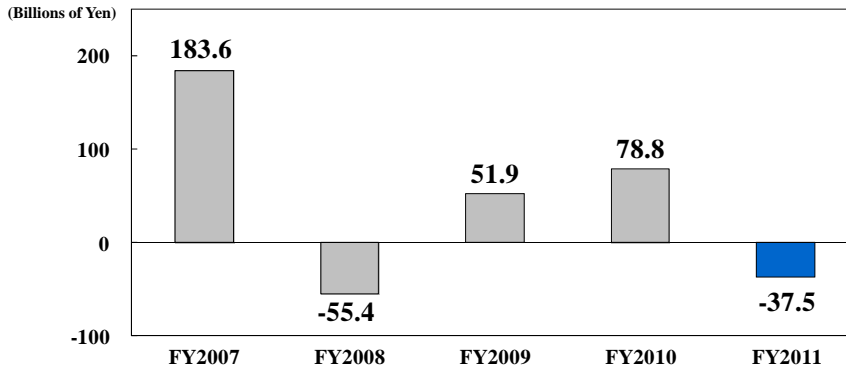
	FY2010	FY2011	
			Change
<b>Net Sales</b> (Billions of yen)	<b>3,021.9</b>	<b>2,455.8</b>	<b>-18.7%</b>



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## Operating Income

	FY2010	FY2011	
			Change
<b>Operating Income</b> (Billions of yen)	<b>78.8</b>	<b>-37.5</b>	<b>-116.4</b>
<b>Ratio</b>	<b>2.6%</b>	<b>-1.5%</b>	



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## Extraordinary Items in Other Expenses / Reversal of Deferred Tax Assets

(Billions of Yen)

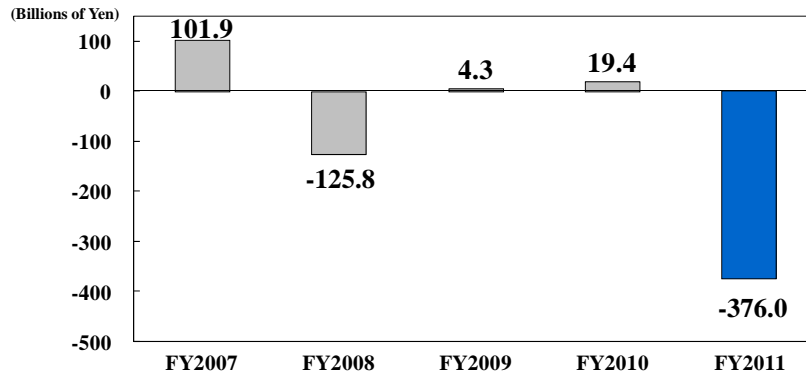
	FY2010	FY2011	
			Change
Loss on suspension of large-size LCD plant operation	-	-25.8	-25.8
Restructuring charges	-12.6	-117.1	-104.4
Settlement package	-	-18.8	-18.8

Reversal of deferred tax assets	-	-115.9	-115.9
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## Net Income

	FY2010	FY2011	
			Change
<b>Net Income</b> (Billions of yen)	<b>19.4</b>	<b>-376.0</b>	<b>-395.4</b>
<b>Ratio</b>	<b>0.6%</b>	<b>-15.3%</b>	



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## II. Financial Results by Product Group

### Sales by Product Group

(Billions of Yen)

	FY2010	FY2011	
			Change
Audio-Visual and Communication Equipment	1,426.7	1,061.0	-25.6%
Health and Environmental Equipment	269.8	292.3	+8.3%
Information Equipment	273.9	277.6	+1.3%
Consumer/Information Products	1,970.5	1,630.9	-17.2%
LCDs	1,026.9	720.9	-29.8%
Solar Cells	265.5	223.9	-15.7%
Other Electronic Devices	261.5	238.1	-8.9%
Electronic Components	1,554.0	1,183.0	-23.9%
Sub Total	3,524.5	2,814.0	-20.2%
Adjustments	-502.6	-358.1	-
<b>Total</b>	<b>3,021.9</b>	<b>2,455.8</b>	<b>-18.7%</b>

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

## Operating Income by Product Group

(Billions of Yen)

	FY2010	FY2011	
			Change
Audio-Visual and Communication Equipment	40.7	-6.1	-
Health and Environmental Equipment	19.9	29.4	+47.6%
Information Equipment	18.5	27.7	+49.5%
Consumer/Information Products	79.2	51.0	-35.6%
LCDs	17.0	-42.2	-
Solar Cells	2.1	-21.9	-
Other Electronic Devices	11.5	9.5	-17.5%
Electronic Components	30.7	-54.6	-
Sub Total	109.9	-3.6	-
Adjustments	-31.0	-33.8	-
Total	78.8	-37.5	-

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## III. Outline of Main Products and Devices

### LCD TVs

(Billions of Yen)

	FY2010	FY2011		FY2012	
			Change (Y on Y)	(Forecast)	Change (Y on Y)
Sales	803.5	581.3	-27.7%	500.0	-14.0%
Units (Million units)	14.82	12.29	-17.1%	10.00	-18.7%



80-inch AQUOS Quattron model

#### [ Actions for FY2012 ]

- Expand business of LCD TVs 60 inches and larger worldwide.
- Improve profitability by reorganizing and downsizing sales framework, mainly for domestic sales.

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## LCDs

(Billions of Yen)

	FY2010	FY2011		FY2012	
			Change (Y on Y)	(Forecast)	Change (Y on Y)
Sales *	1,026.9	720.9	-29.8%	930.0	+29.0%

\* Including internal sales between segments (Consumer/Information Products and Electronic Components).

### Features of IGZO LCD

#### 1. High resolution

2 times

Compared to a-Si LCD with similar transmissivity

#### 2. Low power consumption

Reduce to 1/5 - 1/10

When "data refresh pause" drive that utilize very low leak current characteristic is applied

#### 3. Improves touch panel detection

Smooth touch operation

Enables highly sensitive touch operation by pausing TFT driving when touch is sensed

### [ Actions for FY2012 ]

- Start full-fledged mass production of IGZO LCDs.
- Expand business centered on high-resolution LCD panels for smartphones and tablet terminals.

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## Mobile Phones

(Billions of Yen)

	FY2010	FY2011		FY2012	
			Change (Y on Y)	(Forecast)	Change (Y on Y)
Sales	413.2	305.8	-26.0%	280.0	-8.5%
Units (Millions of units)	9.74	7.70	-20.9%	7.70	0.0%



Smartphones: From left, for NTT DOCOMO, INC., SOFTBANK MOBILE Corp., KDDI CORPORATION

### [ Actions for FY2012 ]

- Realize basic specifications, featuring latest OS and communication service, which take a lead over competitors.
- Reinforce emphasis on product design.
- Launch products utilizing Sharp's unique technology, including "high-resolution and large-size LCDs," "user-friendliness" and "durability for longer airtime."

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## Solar Cells

(Billions of Yen)

	FY2010	FY2011		FY2012	
			Change (Y on Y)	(Forecast)	Change (Y on Y)
Sales *	265.5	223.9	-15.7%	260.0	+16.1%
(MW)	1,242	1,073	-13.6%	1,400	+30.4%

\* Including internal sales between segments (Consumer/Information Products and Electronic Components).



Solar power plant operated by Sharp and EGP in Italy  
Altomonte, Calabria Region, Republic of Italy (8.2MW)

### [ Actions for FY2012 ]

- Japanese market is expected to grow rapidly due to upgrading of feed-in tariff system.
- Strengthen efforts in large-scale solar power generation systems and power generation business.  
(Shift to downstream areas)
- Promote development of new technologies, centered on single crystalline solar cells with high conversion efficiency.

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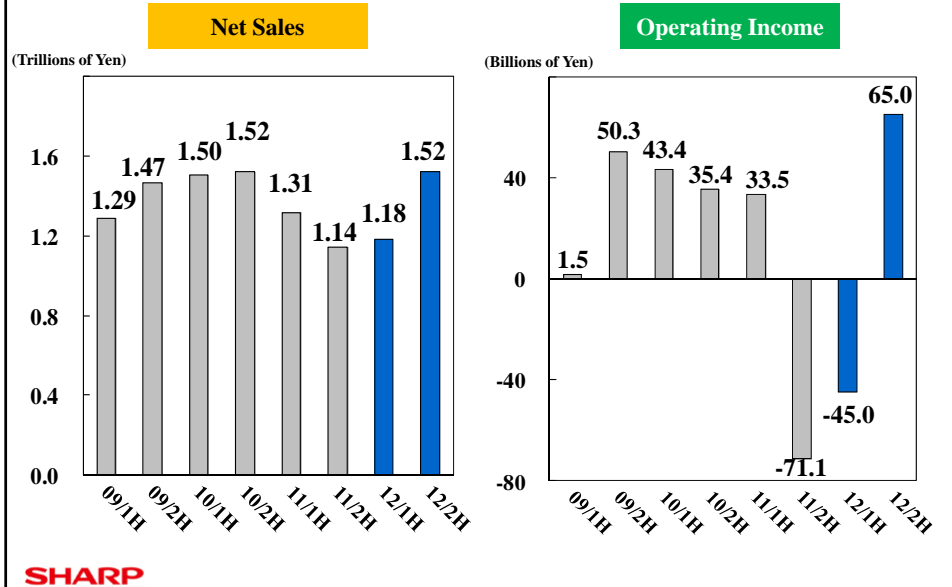
## IV. Financial Results Forecast for Fiscal 2012

(Billions of Yen)

	FY2011	FY2012					
		1H	Change (Y on Y)	2H	Change (Y on Y)	Full Year	Change (Y on Y)
Net Sales	2,455.8	1,180.0	-10.2%	1,520.0	+33.2%	2,700.0	+9.9%
Domestic	1,181.1	470.0	-28.2%	610.0	+15.8%	1,080.0	-8.6%
Overseas	1,274.6	710.0	+7.5%	910.0	+48.1%	1,620.0	+27.1%
Operating Income	-37.5	-45.0	-	65.0	-	20.0	-
Net Income	-376.0	-70.0	-	40.0	-	-30.0	-

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## Transition of Net Sales and Operating Income



## Sales by Product Group

(Billions of Yen)

	FY2011	FY2012	
			Change
Audio-Visual and Communication Equipment	1,061.0	920.0	-13.3%
Health and Environmental Equipment	292.3	320.0	+9.5%
Information Equipment	277.6	310.0	+11.7%
Consumer/Information Products	1,630.9	1,550.0	-5.0%
LCDs	720.9	930.0	+29.0%
Solar Cells	223.9	260.0	+16.1%
Other Electronic Devices	238.1	260.0	+9.2%
Electronic Components	1,183.0	1,450.0	+22.6%
Sub Total	2,814.0	3,000.0	+6.6%
Adjustments	-358.1	-300.0	-
<b>Total</b>	<b>2,455.8</b>	<b>2,700.0</b>	<b>+9.9%</b>

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

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## Operating Income by Product Group

(Billions of Yen)

	FY2011	FY2012	
			Change
Audio-Visual and Communication Equipment	-6.1	-5.0	-
Health and Environmental Equipment	29.4	32.0	+8.6%
Information Equipment	27.7	31.0	+11.7%
Consumer/Information Products	51.0	58.0	+13.7%
LCDs	-42.2	-10.0	-
Solar Cells	-21.9	-10.0	-
Other Electronic Devices	9.5	12.0	+26.1%
Electronic Components	-54.6	-8.0	-
Sub Total	-3.6	50.0	-
Adjustments	-33.8	-30.0	-
Total	-37.5	20.0	-

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## Capital Investment / Depreciation and Amortization / R&D Expenditures / Exchange Rate

(Billions of Yen)

	FY2010	FY2011		FY2012	
			Change (Y on Y)	(Forecast)	Change (Y on Y)
Capital Investment	172.5	118.8	-31.1%	100.0	-15.9%
Depreciation and Amortization	254.0	238.9	-6.0%	230.0	-3.7%
R&D Expenditures	173.9	154.7	-11.0%	150.0	-3.1%

Exchange Rate (Average)

(Yen)

U.S. Dollar	84.73	78.09	78.00
Euro	111.64	107.48	102.00

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## Measures to Improve Business Performance

1. Restructuring of LCD business

2. Restructuring of Solar Cell business

3. Renewal of management organization and  
personnel shift to strategic businesses

4. Improvement of financial strength

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## Measures to Improve Business Performance

1. Restructuring of LCD business

### **Business expansion of IGZO LCDs**

- Started full-fledged mass production of IGZO LCDs at Kameyama No.2 Plant from April.
- Work to expand applications that utilize its features, such as low power consumption and high-resolution.

### **Business alliance with Hon Hai Group & Business integration of LCD color filter businesses operated by Toppan Printing and Dai Nippon Printing in Sakai Plant**

- Work to enhance framework to a new strategic vertical integration that enable us to compete globally.
- Improve cost competitiveness and plant utilization rate through the alliance with Hon Hai Group.

(The effects of alliance have not been reflected in the results forecast announced today)

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## Measures to Improve Business Performance

### 2. Restructuring of Solar Cell business

#### Enhance framework in response to upgrade of FIT in Japan

- Further promotion of large-scale solar power generation systems and power generation business  
(Strengthen domestic sales and system support framework)
- Enhance development and sales of relating system equipment  
(Power conditioners, HEMS, storage batteries, etc.)
- Enhance business operations in downstream areas

#### Promote local production for local consumption and establish an optimal production framework at global level

- Promotion of local production for local consumption and strengthen production framework at oversea plants
- Enhance functions of domestic mother plants and concentrate high value-added production lines  
(Development of new technology, e.g. solar cells with high conversion efficiency)

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## Measures to Improve Business Performance

### 3. Renewal of management organization and personnel shift to strategic businesses

#### Renewal of management organization

- Appointment of two new VPs  
(Technology & Product Development / Sales & Marketing)
- Integrate organizations of various areas including Solar Cells and Domestic Sales

#### Personnel shift to strategic businesses

- Shift personnel to strategic areas in response to rapid changes in the domestic market, especially for Audio-Visual and Solar Cell businesses  
→ Plan to shift approx. 2,000 employees (including personnel shift in 2H FY2011)

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## Measures to Improve Business Performance

### 4. Improvement of financial strength

Improve financial position by reducing inventory, noncurrent assets, etc.

Target: Improvement of approx. 150.0 billion yen

Improve cash flow by reducing capital investment

Target: Improvement of approx. 70.0 billion yen

Capital and business alliance with Hon Hai Group

- Transfer of SDP shares
- Issuance of new shares through third-party allotment

- Transfer of SDP shares: 66.0 billion yen
- Issuance of new shares through third-party allotment: 66.9 billion yen

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## V. Conclusion

### Dividends

(Yen)

	FY2011		
	Interim	Year-End	Annual
Dividends per Share	5.00	5.00	10.00

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