

Consolidated Financial Results for the Second Quarter Ended September 30, 2015

October 30, 2015

SHARP CORPORATION

Stock exchange listings: Tokyo
 Code number: 6753
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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 Six Months Ended September 30, 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 Income (Loss) Attributable to Sharp Corporation	Percent Change
Six Months Ended September 30, 2015	1,279,683	-3.6%	(25,161)	-	(83,610)	-
Six Months Ended September 30, 2014	1,327,670	-1.1%	29,221	-13.6%	4,742	-

[Reference] Comprehensive income (loss): September 30, 2015 ; (86,792) million yen — %
 September 30, 2014 ; 33,463 million yen + 427.1 %

	Net Income (Loss) per Share (Yen)	Fully Diluted Net Income per Share (Yen)
Six Months Ended September 30, 2015	(50.54)	-
Six Months Ended September 30, 2014	2.80	-

(2) Financial Position

Millions of Yen

	Total Assets	Net Assets	Equity Ratio
As of September 30, 2015	1,787,058	180,953	9.4%
As of March 31, 2015	1,961,909	44,515	1.5%

[Reference] Equity: September 30, 2015 ; 168,353 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 becomes 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 September 30, 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 September 30, 2015 ; 10,513,013 shares
as of March 31, 2015 ; 10,480,945 shares

3. Average number of shares outstanding during the six months ended September 30, 2015 ; 1,690,711,110 shares
during the six months ended September 30, 2014 ; 1,690,757,415 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 First Quarter Financial Results." on page 5.
3. Sharp will hold a financial results meeting on October 30, 2015. 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 Second Quarter Financial Results

(1) Qualitative Information regarding Consolidated Financial Results

During the fiscal 2015 cumulative second quarter, the economy of Japan is heading towards a modest recovery with improvements in the employment situation. The exportation and industrial productions are stable as well as personal consumption. In the overseas, despite China's economic growth deceleration, overall is remaining positive as the U.S. and EU economy is on the way to its 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 innovative Daylight film ^{*4} that enables to reduce electricity inside buildings utilizing the nature sunlight efficiently. 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 second quarter have ended as 1,279.6 billion yen (3.6% down from the same period of the previous year) despite the efforts, due to the sales decline in Consumer Electronics, Energy Solutions and Display Devices. Operating loss resulted as 25.1 billion yen (29.2 billion yen operating income in the same period of the previous year), and a net loss attributable to Sharp Corporation of 83.6 billion yen (4.7 billion yen net income to Sharp Corporation in the same period of the previous year), as an effect mainly from the 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.

As for the sales status of product groups in fiscal 2015 cumulative second quarter, the reference data of them are indicated in 5 groups since fiscal 2015 first quarter. The operating results by product groups are as follows:

Product Business

1. Consumer Electronics: Sales resulted as 435.5 billion yen, 11.9% down from the same period of the previous year due to the sales decline in LCD TVs, tablets and air purifiers.
2. Energy Solutions: Sales resulted as 78.7 billion yen, 44.9% down, due to sales decline for solar cells.
3. Business Solutions: Overseas MFP sales expansion brought up the sales which lead the sales recording 172.3 billion yen, an increase of 3.8%, despite the effects of market price fall.

As a result, the sales of Product Business total ended as 686.6 billion yen, 14.5% down.

Device Business

4. Electronic Components and Devices: Sales expansion of camera modules, lead the sales to an increase of 70.4% from the same period of the previous year, recording 234.5 billion yen.
5. Display Devices: Large- size LCD sales increased, however due to the decline in Chinese smartphone business, small- and medium- size LCD sales showed a downturn. Sales ended as 358.5 billion yen, 7.3% down.

As a result, the sales of Device Business total recorded 593.0 billion yen, an increase of 13.1%.

(2) Qualitative Information : Consolidated Statement of Financial Position

The total assets as of September 30 2015, were 1,787.0 billion yen, down 174.8 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 receivable. The total liabilities were 1,606.1 billion yen, down 311.2 billion yen, as a result of decrease in short-term borrowings and notes and accounts payable. Net assets were 180.9 billion yen with an increase of 136.4 billion yen, mainly due to the issuance of preferred shares.

Regarding cash flows, net cash used in operating activities was 59.1 billion yen, and net cash used in investing activities was 28.1 billion yen. Net cash provided by financing activities was 9.9 billion yen. As a result, cash and cash equivalents at the end of the period were 150.0 billion yen, a decrease of 82.1 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 to be steady, although necessary to take notice of the effects of the Chinese market movements, U.S. monetary policies, Greece and Middle East situations, as well as the price trends of resources such as crude oil.

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. However, the rapidness of business circumstance changes exceeded the expectation of the fiscal top, especially for display devices, which resulted as a downturn in the business. As future countermeasure actions, Display Devices is to be taken initiative for fundamental restructurings, risk hedging towards the volatility of sales. In addition, effective from October 1, 2015, Sharp Group has implemented a virtual company system, accelerating the restructure of business portfolio and reduction of expenses whole company wide, striving for the enhancement of business performance.

The financial forecast for fiscal 2015 has no change from the previous announce:

(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 Daylight film applying optical control technology which was cultivated in the development of LCDs.
- *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 six months ended September 30, 2014, and for the year ended March 31, 2015, were restated to reflect this change.

In consolidated statements of cash flows for the six months ended September 30, 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 no impact on consolidated financial statements for the six months ended September 30, 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 are 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 six months ended September 30, 2015 resulted in an operating loss and net loss attributable to Sharp Corporation, as well as negative 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 will sell its production base in Mexico to the Hisense Group, as well as transition to a brand licensing business.

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 September 30, 2015
ASSETS		
Current Assets:		
Cash, time deposits and restricted cash	258,493	175,066
Notes and accounts receivable, less allowance for doubtful receivables	605,671	574,202
Inventories	338,300	294,219
Other current assets	96,731	106,409
Total current assets	1,299,195	1,149,896
Plant and Equipment, Less Accumulated Depreciation	400,592	377,195
Investments and Other Assets	262,039	259,896
Deferred Assets	83	71
Total assets	1,961,909	1,787,058
LIABILITIES		
Current Liabilities:		
Short-term borrowings, including current portion of long-term debt	848,947	666,434
Notes and accounts payable	468,020	422,723
Other current liabilities	369,987	324,987
Total current liabilities	1,686,954	1,414,144
Long-term Liabilities	230,440	191,961
Total liabilities	1,917,394	1,606,105
NET ASSETS		
Owners' Equity:		
Capital stock	121,885	500
Capital surplus	95,945	222,455
Retained earnings	(87,448)	48,718
Less cost of treasury stock	(13,893)	(13,896)
Total owners' equity	116,489	257,777
Accumulated Other Comprehensive Income:		
Net unrealized holding gains (losses) on securities	10,569	10,328
Deferred gains (losses) on hedges	780	(1,072)
Foreign currency translation adjustments	(18,106)	(26,360)
Remeasurements of defined benefit plans	(79,566)	(72,320)
Total accumulated other comprehensive income	(86,323)	(89,424)
Non-controlling Interests	14,349	12,600
Total net assets	44,515	180,953
Total liabilities and net assets	1,961,909	1,787,058

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

- Consolidated Statements of Income

Millions of Yen

	Six Months Ended September 30, 2014	Six Months Ended September 30, 2015
Net Sales	1,327,670	1,279,683
Cost of Sales	1,086,895	1,106,871
Gross profit	240,775	172,812
Selling, General and Administrative Expenses	211,554	197,973
Operating income (loss)	29,221	(25,161)
Other Income (Expenses)		
Interest income	793	449
Equity in earnings of affiliates	4,054	3,065
Gain on sales of noncurrent assets	822	300
Gain on sales of investment securities	5,948	1,806
Reversal of provision for loss on litigation	19,234	2,046
Receipt of settlement package	-	7,179
Interest expense	(11,800)	(9,968)
Loss on sales and retirement of noncurrent assets	(434)	(802)
Impairment loss	(2,436)	(11,121)
Loss on valuation of investment securities	(3)	(117)
Loss on sales of investment securities	(77)	-
Restructuring charges	(5,785)	(35,302)
Provision for loss on litigation	-	(578)
Settlement	(14,382)	-
Other, net	(11,482)	(7,044)
	(15,548)	(50,087)
Income (loss) before income taxes	13,673	(75,248)
Income Taxes		
Current	9,090	12,214
Deferred	(1,215)	(4,177)
	7,875	8,037
Net Income (Loss)	5,798	(83,285)
Less net income attributable to non-controlling interests	1,056	325
Net income (loss) attributable to Sharp Corporation	4,742	(83,610)

- Consolidated Statements of Comprehensive Income

Millions of Yen

	Six Months Ended September 30, 2014	Six Months Ended September 30, 2015
Net Income (Loss)	5,798	(83,285)
Other Comprehensive Income:		
Net unrealized holding gains (losses) on securities	(515)	(241)
Deferred gains (losses) on hedges	115	(1,852)
Foreign currency translation adjustments	17,372	(8,571)
Remeasurements of defined benefit plans	10,613	7,207
Share of other comprehensive income of affiliates accounted for using equity method	80	(50)
Total other comprehensive income	27,665	(3,507)
Comprehensive Income (Loss)	33,463	(86,792)
Less comprehensive income attributable to non-controlling interests	1,904	(81)
Comprehensive income (loss) attributable to Sharp Corporation	31,559	(86,711)

(3) Consolidated Statements of Cash Flows

Millions of Yen

	Six Months Ended September 2014	Six Months Ended September 2015
<u>Cash Flows from Operating Activities:</u>		
Income (loss) before income taxes	13,673	(75,248)
Adjustments to reconcile income (loss) before income taxes to net cash (used in) provided by operating activities —		
Depreciation and amortization of properties and intangibles	53,293	38,375
Interest and dividend income	(1,580)	(1,220)
Interest expenses	11,800	9,968
Loss (gain) on sales and retirement of noncurrent assets, net	(338)	502
Impairment loss	2,436	11,121
Gain on sales of investment securities, net	(5,871)	(1,806)
Restructuring charges	5,785	35,302
Provision for loss on litigation	-	578
Reversal of provision for loss on litigation	(19,234)	(2,046)
Settlement	14,382	-
Receipt of settlement package	-	(7,179)
Decrease (increase) in notes and accounts receivable-trade	(1,386)	21,838
Decrease (increase) in inventories	(7,245)	35,637
(Decrease) increase in payables	32,422	(51,891)
Decrease in provision for bonuses	(6,864)	(1,002)
Other, net	(15,817)	(52,099)
Total	75,406	(39,170)
Interest and dividends received	2,228	1,609
Interest paid	(11,795)	(10,021)
Settlement package received	-	7,198
Settlement package paid	(2,464)	(2,147)
Settlement paid	(5,584)	-
Income taxes paid	(21,035)	(16,613)
Net cash (used in) provided by operating activities	36,756	(59,144)
<u>Cash Flows from Investing Activities:</u>		
Purchase of time deposits	(21,852)	(24,163)
Proceeds from redemption of time deposits	19,900	21,344
Proceeds from sales of investments in subsidiaries resulting in change in scope of consolidation	-	1,409
Acquisitions of plant and equipment	(24,715)	(22,705)
Proceeds from sales of plant and equipment	1,472	4,213
Proceeds from sales of investment securities	13,863	640
Other, net	(11,349)	(8,857)
Net cash used in investing activities	(22,681)	(28,119)
<u>Cash Flows from Financing Activities:</u>		
(Decrease) increase in short-term borrowings, net	4,126	(187,695)
Proceeds from long-term debt	4,151	1,861
Repayments of long-term debt	(121,351)	(31,487)
Proceeds from issuance of class shares	-	224,606
Other, net	1,032	2,659
Net cash provided by (used in) financing activities	(112,042)	9,944
Effect of Exchange Rate Changes on Cash and Cash Equivalents	9,711	(4,818)
Net Decrease in Cash and Cash Equivalents	(88,256)	(82,137)
Cash and Cash Equivalents at Beginning of Year	350,634	232,211
Cash and Cash Equivalents at End of Period	262,378	150,074

(4) Going Concern Assumption

None

(5) Segment Information

1. Six Months Ended September 30, 2014

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

Millions of Yen

Net Sales	
Product Business	
Customers	803,067
Intersegment	52
Total	809,119
Device Business	
Customers	524,603
Intersegment	86,104
Total	610,707
Adjustments	(86,156)
The amount presented in Consolidated Statements of Income	1,327,670
Segment Income	
Product Business	30,936
Device Business	18,342
Adjustments*1	(20,057)
The amount presented in Consolidated Statements of Income*2	29,221

Notes: 1. Adjustments of segment income of (20,057) million yen include elimination of intersegment transactions of 79 million yen and corporate expenses not allocated to each reportable segment of (18,294) 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 Product Business segment, the book value of production facility for Digital Information Equipment 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 1,099 million yen for the six months ended September 30, 2014.

In Device Business segment, the book value of buildings etc, in idle condition with no further usage for Electric Components and Devices 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 six months ended September 30, 2014.

2. Six Months Ended September 30, 2015

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

Millions of Yen

Net Sales	
Product Business	
Customers	686,613
Intersegment	5
Total	686,618
Device Business	
Customers	593,070
Intersegment	41,392
Total	634,462
Adjustments	(41,397)
The amount presented in Consolidated Statements of Income	1,279,683
Segment Income (Loss)	
Product Business	12,134
Device Business	(18,469)
Adjustments*1	(18,826)
The amount presented in Consolidated Statements of Loss*2	(25,161)

- Notes: 1. Adjustments of segment income (loss) of (18,826) million yen include elimination of intersegment transactions of (53) million yen and corporate expenses not allocated to each reportable segment of (17,751) 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 . Information regarding impairment loss on noncurrent assets, goodwill, etc. by reportable segment

(Significant impairment loss on noncurrent assets)

In the Product Business segment, the book value of business assets of Digital Information Equipment and Energy Solutions 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 5,343 million yen for the six months ended September 30, 2015.

In Device Business segment, the book value of Display Devices 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 5,778 million yen for the six months ended September 30, 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 September 30, 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

(Change in Segment Classifications)

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, beginning with the third quarter of the fiscal year ending March 2016, Sharp will disclose 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 will now be included under the Consumer Electronics, Energy Solutions, and Business Solutions. Products that had been included under the Device Business segment will now be included under the Electronic Components and Devices and Display Devices.

The following schedule provides sales and income (loss) results for the six months ended September 30, 2015 for each segment as presented under the new segment classifications.

Six Months Ended September 30, 2015

(Millions of Yen)

Net Sales ^{*3}	
Consumer Electronics	
Customers	435,560
Intersegment	(1)
Total	435,559
Energy Solutions	
Customers	78,727
Intersegment	3
Total	78,730
Business Solutions	
Customers	172,326
Intersegment	6
Total	172,332
Electronic Components and Devices	
Customers	234,554
Intersegment	16,681
Total	251,235
Display Devices	
Customers	358,516
Intersegment	32,694
Total	391,210
Adjustments	(49,383)
The amount presented in Consolidated Statements of Income	1,279,683
Segment Income (Loss)	
Consumer Electronics	(1,978)
Energy Solutions	(2,646)
Business Solutions	16,758
Electronic Components and Devices	8,024
Display Devices	(26,493)
Total	(6,335)
Adjustments ^{*1}	(18,826)
The amount presented in Consolidated Statements of Income ^{*2}	(25,161)

- Notes:
1. Adjustments of segment income (loss) of (18,826) million yen include elimination of intersegment transactions of (53) million yen and corporate expense not allocated to each reportable segment of (17,751) million yen. Corporate expenses are mainly attributable to base R&D expense and expenses related to the parent company's administrative departments.
 2. Adjustments were made to reconcile segment income (loss) to operating income (loss) as presented in the Consolidated Statements of Income.
 3. With the adoption of a virtual company system, we will calculate sales to customers and intersegment sales or transfers by individual company. However, since there is no mechanism for calculating these figures for the six months ended September 30, 2015, we have estimated these amounts by calculating totals for the products produced by each company.

Supplementary Data

(1) Consolidated Sales by Product Group

Millions of Yen

	Six Months Ended September 30, 2014		Six Months Ended September 30, 2015		Increase Decrease	Percent Change
	Amount	Ratio	Amount	Ratio		
		%		%		%
Digital Information Equipment	211,817	16.0	167,341	13.0	- 44,476	- 21.0
Communications	119,520	9.0	117,663	9.2	- 1,857	- 1.6
Health and Environmental Equipment	162,813	12.3	150,556	11.9	- 12,257	- 7.5
Consumer Electronics	494,150	37.3	435,560	34.1	- 58,590	- 11.9
Energy Solutions	142,964	10.8	78,727	6.2	- 64,237	- 44.9
Business Solutions	165,953	12.4	172,326	13.5	+ 6,373	+ 3.8
Product Business	803,067	60.5	686,613	53.8	- 116,454	- 14.5
Electronic Components and Devices	137,683	10.4	234,554	18.3	+ 96,871	+ 70.4
Display Devices	386,920	29.1	358,516	27.9	- 28,404	- 7.3
Device Business	524,603	39.5	593,070	46.2	+ 68,467	+ 13.1
Total	1,327,670	100.0	1,279,683	100.0	- 47,987	- 3.6
Domestic	494,966	37.3	388,911	30.4	- 106,055	- 21.4
Overseas	832,704	62.7	890,772	69.6	+ 58,068	+ 7.0

Notes:

- The above figures indicate sales to outside customers.
- Effective from the three months ended June 30, 2015, the sub total of "Digital Information Equipment," "Communications," and "Health and Environmental Equipment" is shown as "Consumer Electronics." Also, the "LCDs" product group was renamed the "Display Devices" and the "Electronic Devices" product group was renamed the "Electronic Components and Devices."
- Effective from the three months ended June 30, 2015, some items have been reclassified between "Digital Information Equipment" and "Communications" and between "Digital Information Equipment" and "Business Solutions." In this connection, figures for the six months ended September 30, 2014, have been restated to conform with the six months ended September 30, 2015.

(2) Information by Product Group

The breakdown of the reportable segments, which consist of Product Business and Device Business, is presented for reference. Sales of each product group include internal sales between segments (Product Business and Device Business).

〈Net Sales〉

Millions of Yen

	Six Months Ended September 30, 2014		Six Months Ended September 30, 2015		Percent Change
	Amount	Ratio	Amount	Ratio	
Digital Information Equipment	211,825	16.0	167,349	13.1	-21.0
Communications	119,568	9.0	117,664	9.2	-1.6
Health and Environmental Equipment	162,809	12.2	150,547	11.8	-7.5
Consumer Electronics	494,202	37.2	435,560	34.1	-11.9
Energy Solutions	142,958	10.8	78,728	6.1	-44.9
Business Solutions	165,959	12.5	172,330	13.5	+3.8
Product Business	803,119	60.5	686,618	53.7	-14.5
Electronic Components and Devices	149,771	11.3	243,264	19.0	+62.4
Display Devices	460,936	34.7	391,198	30.6	-15.1
Device Business	610,707	46.0	634,462	49.6	+3.9
Sub Total	1,413,826	106.5	1,321,080	103.3	-6.6
Adjustments	(86,156)	-6.5	(41,397)	-3.3	-
Total	1,327,670	100.0	1,279,683	100.0	-3.6

〈Segment Income (Loss)〉

Millions of Yen

	Six Months Ended September 30, 2014		Six Months Ended September 30, 2015		Percent Change
	Amount	Ratio	Amount	Ratio	
Digital Information Equipment	348	1.2	(15,021)	-	-
Communications	7,189	24.6	10,503	-	+46.1
Health and Environmental Equipment	7,757	26.6	2,540	-	-67.3
Consumer Electronics	15,294	52.4	(1,978)	-	-
Energy Solutions	(295)	-1.0	(2,646)	-	-
Business Solutions	15,937	54.5	16,758	-	+5.2
Product Business	30,936	105.9	12,134	-	-60.8
Electronic Components and Devices	(2,465)	-8.4	8,024	-	-
Display Devices	20,807	71.2	(26,493)	-	-
Device Business	18,342	62.8	(18,469)	-	-
Sub Total	49,278	168.7	(6,335)	-	-
Adjustments	(20,057)	-68.7	(18,826)	-	-
Total	29,221	100.0	(25,161)	-	-

Notes:

- Effective from the three months ended June 30, 2015, the sub total of "Digital Information Equipment," "Communications," and "Health and Environmental Equipment" is shown as "Consumer Electronics." Also, the "LCDs" product group was renamed the "Display Devices" and the "Electronic Devices" product group was renamed the "Electronic Components and Devices."
- Effective from the three months ended June 30, 2015, some items have been reclassified between "Digital Information Equipment" and "Communications" and between "Digital Information Equipment" and "Business Solutions." In this connection, figures for the six months ended September 30, 2014, have been restated to conform with the six months ended September 30, 2015.