

Operating Results

1. Review of the Nine Months Ended December 31, 2003

During the past nine months, although employment and personal income continued to be in a severe state in Japan, some signs of recovery were seen, such as an increase in corporate investment and exports as well as an improvement of stock market performance. In the United States, the economy showed a solid recovery. Asian economies continued to expand steadily.

Under such circumstances, Sharp took assertive initiatives in our business activities. In the product business, we expanded the line-up of our unique products such as LCD color TVs with built-in digital terrestrial TV tuners and mobile phones equipped with high-resolution CCD camera modules. In the device business, we boosted sales of our unique devices such as LCDs including System LCDs, CCD and CMOS imagers and photovoltaic power systems. As a result, the nine months recorded net sales of 1,674.3 billion yen, up 11.8 % from the same period last year, operating income of 91.3 billion yen, up 16.9 % and net income of 45.7 billion yen, up 24.0%.

Operating results by product group are as follows:

Audio-Visual and Communication Equipment

Sales of LCD color TVs and camera-equipped mobile phones increased, resulting in net sales of 624.6 billion yen, up 9.8 % from the same period last year.

Home Appliances

We enhanced our line-up of unique products such as Plasmacluster Ion products that inactivate airborne mold. However, due to price declines in the worldwide market, net sales resulted in 159.2 billion yen, down 7.8 % from the same period last year.

Information Equipment

Sales of LCD color monitors and digital color copier/printer increased, resulting in net sales of 288.0 billion yen, up 3.1 % from the same period last year.

ICs

Sales of CCD and CMOS imagers and flash memory increased, resulting in net sales of 128.0 billion yen, up 43.1 % from the same period last year.

LCDs

Sales of high-value-added LCDs especially for mobile phones increased, resulting in net sales of 306.7 billion yen, up 20.9 % over the same period last year.

Other Electronic Components

Sales of solar cells for photovoltaic power systems, business pillar of the group, increased, resulting in net sales of 167.4 billion yen, up 25.4 % from the same period last year.

2. Forecast for Fiscal 2003

There are no revisions to the estimates for operating results in the current fiscal year that were announced when the financial results for the six months ended September 30, 2003 were released on October 29, 2003.

【Forecast for Fiscal 2003 ending March 31, 2004】

Net sales	2,250.0 billion yen	+ 12.3 % over the previous fiscal year
Operating income	120.0 billion yen	+ 20.6 % over the previous fiscal year
Net income	57.0 billion yen	+ 74.9 % over the previous fiscal year

Note: The above estimates of operating results are based on certain assumptions that Sharp Corporation deemed reasonable at the time they were prepared, and actual operating results may differ significantly from these estimates. The following factors may influence the figures for final reported business results.

- Significant changes in the political and economic situation in major markets (Europe, North America, Asia and Japan).
- Sudden, rapid fluctuations in product supply or demand in major markets.
- Large swings in foreign exchange markets (particularly in the dollar/euro markets)
- Significant fluctuations in valuation in capital markets
- Sudden, rapid changes in technology, etc.