

[Qualitative Information and Financial Statement]

1. Qualitative Information regarding Consolidated Financial Results and Financial Position for the Nine Months Ended December 31, 2007

During the past nine-month period, the Japanese economy continued to recover modestly, supported mainly by corporate-sector demand. However, there was a growing uncertainty in the world economy, due to turmoil in international capital markets triggered by the U.S. subprime loan issue and soaring material prices.

Under these circumstances, Sharp took assertive initiatives to further improve its competitiveness. In the product business, we worked to enhance the lineup of our unique products, such as full high-definition LCD color TVs and One-Seg-compatible mobile phones. In the device business, we made efforts to increase sales of such proprietary devices as LCDs.

As a result, the nine months recorded net sales of 2,562.0 billion yen, up 12.1% over the same period last year, operating income of 131.0 billion yen, down 6.0% and net income of 72.9 billion yen, down 2.9%.

Regarding cash flow, net cash provided by operating activities was 139.5 billion yen, while net cash used in investing activities was 280.9 billion yen. Net cash provided by financing activities was 145.9 billion yen. As a result, cash and cash equivalents at the end of the period were 334.0 billion yen, increases of 4.7 billion yen compared to March 31, 2007.

Operating results by product group are as follows:

Consumer/Information Products

Sales of Audio-Visual and Communication Equipment were 1,231.5 billion yen, up 24.4% over the same period last year. Sales of LCD color TVs and mobile phones increased, contributing to the overall sales increase.

Sales of Home Appliances were 188.8 billion yen, up 5.4%. Brisk sales of refrigerators and air conditioners contributed to the growth.

Sales of Information Equipment were 325.2 billion yen, up 2.7%. Sales of wireless PDAs and copier/printers increased, resulting in overall sales growth.

Electronic Components

Sales of LSIs were 127.5 billion yen, up 17.4% over the same period last year. Sales of CCD/CMOS imagers increased, which offset the decrease in sales of flash memory.

Sales of LCDs were 481.3 billion yen, up 2.4%. Sales of large-size LCD panels for TVs were strong.

Sales of Other Electronic Components were 207.4 billion yen, down 6.1%. A sales decline of solar cells led to an overall sales decrease.

2. Forecast of Financial Results for the Year Ending March 31, 2008 (Fiscal 2007)

The following is the current forecast for fiscal 2007. There are no revisions to the forecast announced on October 25, 2007.

Net sales	3,400.0 billion yen	+ 8.7 % over the previous fiscal year
Operating income	190.0 billion yen	+ 1.9 % over the previous fiscal year
Net income	105.0 billion yen	+ 3.2 % 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 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)
- Sharp's ability to respond to rapid technological changes and changing consumer preferences with timely and cost-effective introductions of new products and services
- Regulations such as trade restrictions in other countries
- Litigation and other legal proceedings against the Sharp Group, etc.

3. Other Information

(1) Changes in consolidated subsidiaries

(Changes in specified subsidiaries involving changes in scope of consolidation)

No change

(2) Adoption of simplified accounting method

Simplified method is applied in some cases, for example, measurement of inventories

(3) Changes in accounting method

No change

*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.