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Five-Year Financial Summary

Sharp Corporation and Consolidated Subsidiaries for the Years Ended March 31

	Yen (millions)					U.S. Dollars (thousands)
	2007	2008	2009	2010	2011	2011
Net Sales	¥ 3,127,771	¥ 3,417,736	¥ 2,847,227	¥ 2,755,948	¥ 3,021,973	\$ 36,853,329
Domestic sales	1,526,938	1,590,747	1,302,261	1,429,057	1,592,909	19,425,719
Overseas sales	1,600,833	1,826,989	1,544,966	1,326,891	1,429,064	17,427,610
Operating Income (Loss)	186,531	183,692	(55,481)	51,903	78,896	962,146
Income (Loss) Before Income Taxes and Minority Interests	158,295	162,240	(204,139)	6,139	40,880	498,537
Net Income (Loss)	101,717	101,922	(125,815)	4,397	19,401	236,598
Net Assets	1,192,205	1,241,868	1,048,447	1,065,860	1,048,645	12,788,354
Total Assets	2,968,810	3,073,207	2,688,721	2,836,255	2,885,678	35,191,195
Capital Investment ^{*1}	314,301	344,262	260,337	215,781	172,553	2,104,305
Depreciation and Amortization ^{*2}	217,715	276,567	315,799	277,257	289,602	3,531,732
R&D Expenditures	189,852	196,186	195,525	166,507	173,983	2,121,744
Per Share of Common Stock	Yen					U.S. Dollars
Net income (loss)	¥ 93.25	¥ 93.17	¥ (114.33)	¥ 4.00	¥ 17.63	\$ 0.22
Diluted net income	90.00	86.91	—	3.78	16.47	0.20
Cash dividends	26.00	28.00	21.00	17.00	17.00	0.21
Net assets	1,084.76	1,119.09	944.24	949.19	932.46	11.37
Other Financial Data						
Return on equity (ROE)	8.9%	8.4%	(11.1%)	0.4%	1.9%	—
Return on assets (ROA)	3.7%	3.4%	(4.4%)	0.2%	0.7%	—
Equity ratio	39.9%	40.1%	38.6%	36.8%	35.6%	—

*1 The amount of leased properties is included in capital investment.

*2 Effective for the year ended March 31, 2008, pursuant to an amendment to the Corporate Tax Law, the Company and its domestic consolidated subsidiaries have depreciated tangible fixed assets acquired on and after April 1, 2007 in accordance with the method stipulated in the amended Corporate Tax Law.

	Yen (millions)					U.S. Dollars (thousands)	
	2007	2008	2009	2010	2011	2011	
Net Sales	¥ 3,127,771	¥ 3,417,736	¥ 2,847,227	¥ 2,755,948	¥ 3,021,973	\$ 36,853,329	
Sales by Product Group*³ (Sales to Outside Customers)							
Audio-Visual and Communication Equipment	1,381,105	1,598,199	—	—	—	—	
Home Appliances	239,081	249,843	—	—	—	—	
Information Equipment	437,923	437,299	—	—	—	—	
Consumer/Information Products	2,058,109	2,285,341	—	—	—	—	
LSIs	146,556	163,504	—	—	—	—	
LCDs	628,821	683,310	—	—	—	—	
Other Electronic Components	294,285	285,581	—	—	—	—	
Electronic Components	1,069,662	1,132,395	—	—	—	—	
Total	3,127,771	3,417,736	—	—	—	—	
Audio-Visual and Communication Equipment	—	1,624,713	1,367,600	1,332,129	1,426,243	17,393,207	
Health and Environmental Equipment	—	249,843	225,290	244,090	269,845	3,290,793	
Information Equipment	—	410,785	306,077	266,920	273,900	3,340,244	
Consumer/Information Products	—	2,285,341	1,898,967	1,843,139	1,969,988	24,024,244	
LCDs	—	683,310	573,854	508,630	614,373	7,492,354	
Solar Cells	—	151,011	157,095	208,732	265,492	3,237,707	
Other Electronic Devices	—	298,074	217,311	195,447	172,120	2,099,024	
Electronic Components	—	1,132,395	948,260	912,809	1,051,985	12,829,085	
Total	—	3,417,736	2,847,227	2,755,948	3,021,973	36,853,329	
Sales by Region*⁴							
Japan	1,526,938	1,590,747	1,302,261	1,429,057	—	—	
The Americas	582,588	625,841	488,428	342,923	—	—	
Europe	523,301	584,252	451,090	393,212	—	—	
China	305,895	412,470	407,777	365,440	—	—	
Other	189,049	204,426	197,671	225,316	—	—	
Total	3,127,771	3,417,736	2,847,227	2,755,948	—	—	
Japan	—	—	—	1,429,057	1,592,909	19,425,719	
The Americas	—	—	—	283,641	302,021	3,683,183	
Europe	—	—	—	336,642	367,962	4,487,341	
China	—	—	—	422,881	516,977	6,304,598	
Other	—	—	—	283,727	242,104	2,952,488	
Total	—	—	—	2,755,948	3,021,973	36,853,329	

*3 Effective for the year ended March 31, 2008, some items previously included in Other Electronic Components had been reclassified and were included in LSIs. In this connection, "Sales by Product Group" of 2007 has been restated to conform with the 2008 presentation.

Effective for the year ended March 31, 2009, the Company adopted the segment classification presented above in "Sales by Product Group" in place of the former classification: Audio-Visual and Communication Equipment, Home Appliances, Information Equipment, LSIs, LCDs, and Other Electronic Components. In addition, some items previously included in Audio-Visual and Communication Equipment had been reclassified and were included in Information Equipment, and some items previously included in Information Equipment had been reclassified and were included in Audio-Visual and Communication Equipment. In this connection, "Sales by Product Group" of 2008 has been restated to conform with the 2009 presentation.

Effective for the year ended March 31, 2010, some items previously included in Information Equipment have been reclassified and are included in Audio-Visual and Communication Equipment. In this connection, "Sales by Product Group" of 2009 has been restated to conform with the 2010 presentation.

*4 Effective for the year ended March 31, 2011, the Company has applied the "Accounting Standard for Disclosures about Segments of an Enterprise and Related Information" (Accounting Standards Board of Japan (ASBJ) Statement No.17, issued by the ASBJ on March 27, 2009) and the "Guidance on Accounting Standard for Disclosures about Segments of an Enterprise and Related Information" (ASBJ Guidance No.20, issued by the ASBJ on March 21, 2008). In this connection, "Sales by Region" of 2010 has been restated to conform with the 2011 presentation.

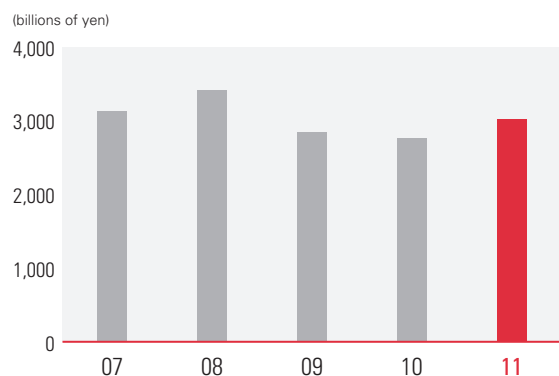
Financial Review

Sharp Corporation and Consolidated Subsidiaries

Operations

Consolidated net sales for the year ended March 31, 2011 were ¥3,021,973 million, up 9.7% from the prior year.

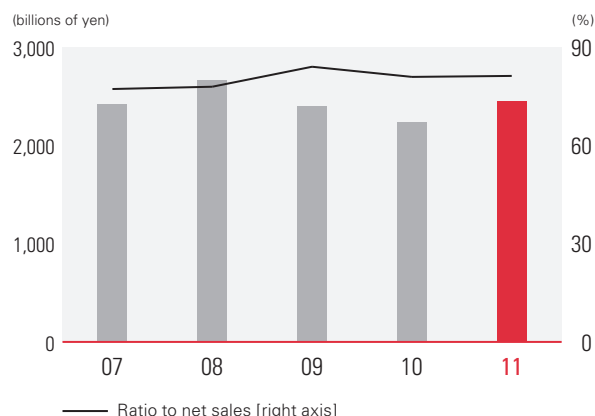
Net Sales



Financial Results

Cost of sales increased by ¥222,835 million over the prior year to ¥2,452,345 million, and the cost of sales ratio increased from 80.9% recorded in the prior year to 81.2%.

Cost of Sales



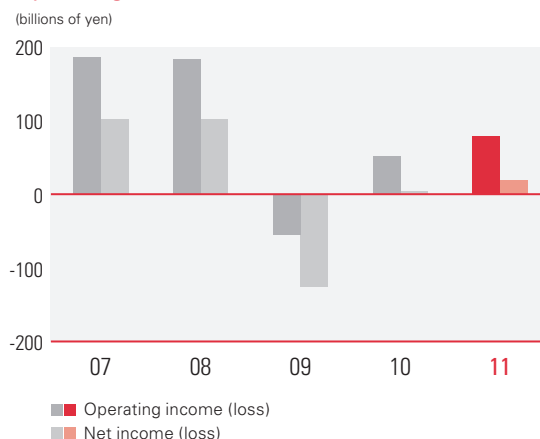
Selling, general and administrative (SG&A) expenses increased by ¥16,197 million to ¥490,732 million, and the ratio of SG&A expenses against net sales decreased from 17.2% to 16.2%. SG&A expenses include advertising expenses of ¥54,954 million and employees' salaries and other benefits expenses of ¥116,491 million.

As a result, operating income increased by ¥26,993 million to ¥78,896 million.

Other expenses, net of other income, were in a net loss position and amounted to ¥38,016 million.

Income before income taxes and minority interests increased by ¥34,741 million to ¥40,880 million, and net income increased by ¥15,004 million to ¥19,401 million. Net income per share of common stock was ¥17.63.

Operating Income (Loss)/Net Income (Loss)

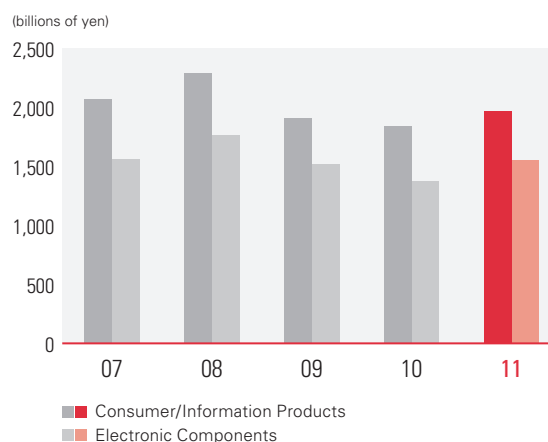


Segment Information

Sales in the Consumer/Information Products segment increased by 6.9% over the prior year to ¥1,970,570 million, and operating income increased by 49.3% to ¥79,257 million.

Sales in the Electronic Components segment increased by 13.0% to ¥1,554,017 million. Operating income decreased by 12.4% to ¥30,728 million.

Sales

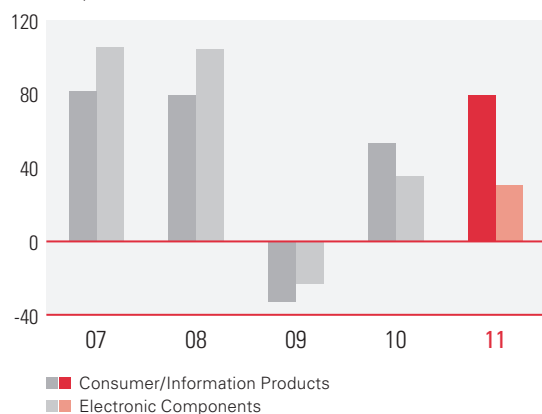


Notes: 1. Effective for the year ended March 31, 2011, the Company has applied the "Accounting Standard for Disclosures about Segments of an Enterprise and Related Information" (ASBJ Statement No.17, issued by the ASBJ on March 27, 2009) and the "Guidance on Accounting Standard for Disclosures about Segments of an Enterprise and Related Information" (ASBJ Guidance No.20, issued by the ASBJ on March 21, 2008). In this connection, figures of 2010 included in "Segment Information" have been restated to conform with the 2011 presentation.

2. Sales figures by segment and product group shown in "Segment Information" include internal sales between segments (Consumer/Information Products and Electronic Components). Operating income (loss) figures are the amounts before adjustment of intersegment trading.
3. Capital investment figures shown in "Capital Investment and Depreciation" include the amount of leased properties.

Operating Income (Loss)

(billions of yen)



[Reference Information]

Information by Product Group

Consumer/Information Products

Audio-Visual and Communication Equipment

Sales in this group amounted to ¥1,426,734 million, up 7.1% from the prior year, and operating income increased by 161.8% to ¥40,745 million. Contributing to this performance included a significant increase in sales of LCD TVs and Blu-ray Disc recorders, which benefited from the Eco-Point Program.

Sales by Product Group

	Yen (millions)		U.S. Dollars (thousands)
	2010	2011	2011
Audio-Visual and Communication Equipment	¥ 1,332,357	¥ 1,426,734	\$ 17,399,195
Health and Environmental Equipment	244,183	269,883	3,291,256
Information Equipment	266,948	273,953	3,340,890
Consumer/Information Products	1,843,488	1,970,570	24,031,341
LCDs	877,870	1,026,959	12,523,890
Solar Cells	208,758	265,538	3,238,269
Other Electronic Devices	289,157	261,520	3,189,268
Electronic Components	1,375,785	1,554,017	18,951,427
Adjustments	(463,325)	(502,614)	(6,129,439)
Total	2,755,948	3,021,973	36,853,329

Health and Environmental Equipment

Sales in this group increased by 10.5% to ¥269,883 million, and operating income increased by 22.7% to ¥19,957 million. Contributing to this performance were increased sales of refrigerators, air conditioners and other products.

Information Equipment

Sales in this group increased by 2.6% to ¥273,953 million, due largely to an increase in sales of digital full-color MFPs. However, operating income decreased by 12.7% to ¥18,555 million.

Electronic Components

LCDs

Sales in this group increased by 17.0% to ¥1,026,959 million, due to an increase in demand for large-size LCD panels for TVs stemming from the Eco-Point Program, as well as higher demand for mobile LCDs for smartphones, tablet terminals and game devices. Operating income decreased by 6.8% to ¥17,085 million, due to falling prices for large-size LCDs and production adjustments to address a deteriorating supply/demand situation in the latter half of 2010.

Solar Cells

Sales in this group increased by 27.2% to ¥265,538 million, owing to brisk sales both in Japan and overseas.

However, operating income decreased by 58.7% to ¥2,105 million, due to intensified price competition and other factors.

Other Electronic Devices

Sales in this group decreased by 9.6% to ¥261,520 million, and operating income decreased by 1.0% to ¥11,538 million, due to falling sales prices, especially for devices used in digital products.

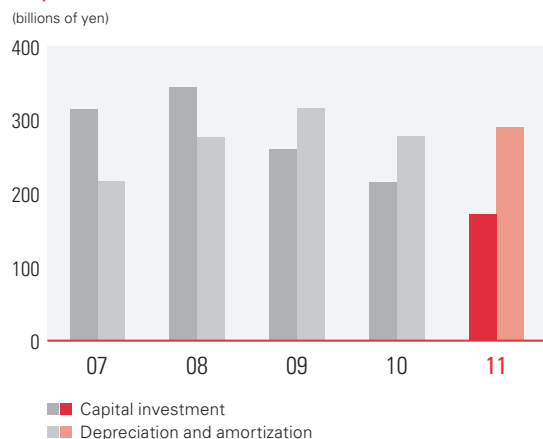
Capital Investment and Depreciation

Capital investment for the fiscal year amounted to ¥172,553 million, down 20.0% from the prior year. Much of this investment was allocated to expansion of production capacity of the LCD panel plant at GREEN FRONT SAKAI, in order to meet brisk demand for LCD TVs in the first half of the fiscal year. We also installed new production equipment at the Fukuyama Plant in order to increase production capacity for blue LED chips, where demand is rising sharply for use in LCD TV backlighting and illumination. Another portion was allocated to constructing production lines for new crystalline solar cells with high conversion efficiency at the solar cell plant in GREEN FRONT SAKAI.

By business segment, capital investment for Consumer/Information Products was ¥30,155 million, and for Electronic Components was ¥131,668 million. Unallocated capital investment amounted to ¥10,730 million.

Depreciation and amortization increased by 4.5% to ¥289,602 million.

Capital Investment/ Depreciation and Amortization



Assets, Liabilities and Net Assets

Total assets increased by ¥49,423 million from the end of the prior year to ¥2,885,678 million.

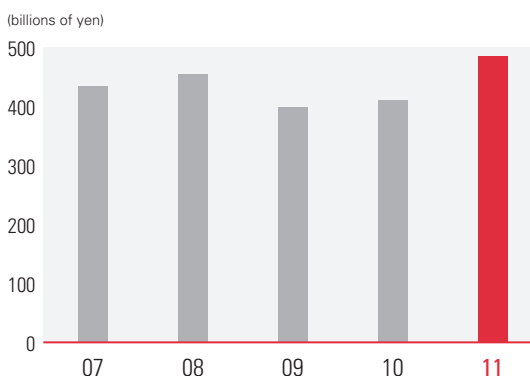
Assets

Current assets amounted to ¥1,522,550 million, an increase of ¥105,015 million from the end of the prior year. This was mainly due to a ¥74,797 million increase in inventories and a ¥63,303 million increase in other current assets, which was slightly offset by a ¥87,015 million decrease in cash and cash equivalents. Inventories amounted to ¥486,060 million. Included in inventories, finished products increased by ¥26,958 million to ¥191,628 million, work in process increased by ¥36,523 million to ¥206,614 million, and raw materials and supplies increased by ¥11,316 million to ¥87,818 million.

Plant and equipment decreased by ¥62,690 million to ¥964,914 million.

Investments and other assets amounted to ¥398,214 million, an increase of ¥7,098 million, mainly due to increases in investments in nonconsolidated subsidiaries and affiliates and other assets, which more than offset a decline in deferred tax assets.

Inventories



Liabilities

Current liabilities increased by ¥22,007 million from the end of the prior year to ¥1,245,913 million. Short-term borrowings decreased by ¥14,854 million to ¥287,330 million. Included in short-term borrowings, bank loans increased by ¥34,070 million to ¥104,522 million, commercial paper decreased by ¥25,989 million to ¥139,766 million, and current portion of long-term debt decreased by ¥22,935 million to ¥43,042 million. Notes and accounts

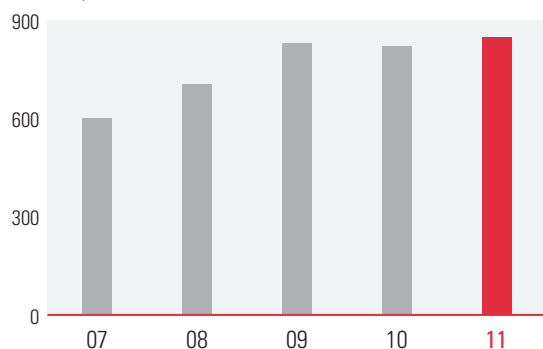
payable amounted to ¥602,081 million, a decrease of ¥51,072 million. Other current liabilities increased by ¥70,546 million to ¥126,692 million.

Long-term liabilities increased by ¥44,631 million to ¥591,120 million. This was mainly due to a ¥41,969 million increase in long-term debt.

Interest-bearing debt was ¥847,250 million, an increase of ¥27,115 million.

Interest-Bearing Debt

(billions of yen)

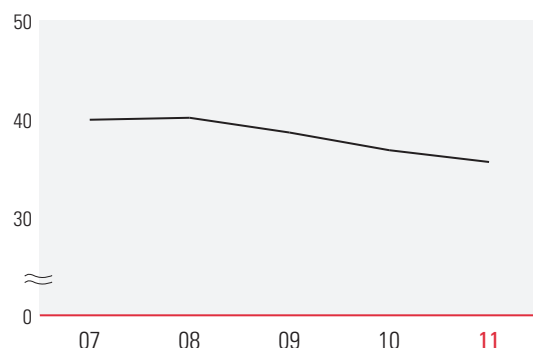


Net Assets

Net assets amounted to ¥1,048,645 million, a decrease of ¥17,215 million. Foreign currency translation adjustments decreased by ¥13,034 million from the end of the prior year, due to foreign exchange fluctuations. The equity ratio was 35.6%.

Equity Ratio

(%)



Cash Flows

Cash and cash equivalents at end of year stood at ¥241,110 million, a decrease of ¥87,015 million over the prior year, as combined payments in investing and financing activities exceeded proceeds from operating activities.

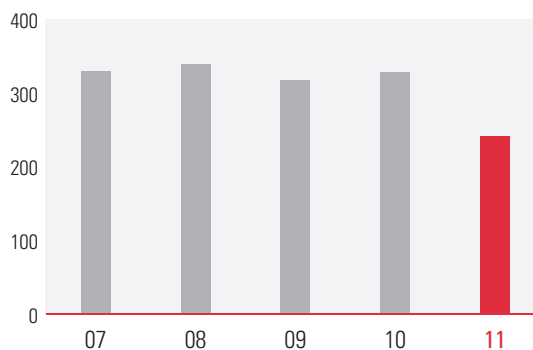
Net cash provided by operating activities decreased by ¥136,121 million to ¥167,443 million. This was mainly due to an increase of ¥61,499 million in increase in inventories and a decrease in payables of ¥762 million (compared to an increase of ¥131,698 million in the prior year), which was slightly offset by a decrease of ¥36,893 million in increase in notes and accounts receivable.

Net cash used in investing activities amounted to ¥244,613 million, a decrease of ¥9,192 million. This was mainly due to a ¥27,368 million decrease in purchase of property, plant and equipment, which was slightly offset by ¥24,524 million payments for purchase of investments in subsidiaries resulting in the change in scope of consolidation.

Net cash used in financing activities amounted to ¥6,254 million, a decrease of ¥29,187 million. This was mainly due to a ¥7,328 million increase in short-term borrowings, net (compared to a ¥171,315 million decrease in the prior year), which was slightly offset by a ¥71,449 million decrease in proceeds from long-term debt and a ¥62,528 million increase in repayments of long-term debt.

Cash and Cash Equivalents

(billions of yen)



Consolidated Balance Sheets

Sharp Corporation and Consolidated Subsidiaries as of March 31, 2010 and 2011

ASSETS	Yen (millions)		U.S. Dollars (thousands)
	2010	2011	2011
Current Assets:			
Cash and cash equivalents (Note 7)	¥ 328,125	¥ 241,110	\$ 2,940,366
Time deposits (Note 7)	20,289	1,200	14,634
Short-term investments (Notes 2 and 7)	—	5,578	68,025
Notes and accounts receivable (Note 7) —			
Trade	526,422	561,430	6,846,707
Nonconsolidated subsidiaries and affiliates	15,293	15,996	195,073
Allowance for doubtful receivables	(4,997)	(2,730)	(33,293)
Inventories (Note 3)	411,263	486,060	5,927,561
Deferred tax assets (Note 4)	64,347	93,810	1,144,025
Other current assets	56,793	120,096	1,464,585
Total current assets	1,417,535	1,522,550	18,567,683
Plant and Equipment, at Cost (Note 6):			
Land	101,573	100,124	1,221,024
Buildings and structures	795,380	840,912	10,255,025
Machinery and equipment	2,030,447	2,041,523	24,896,622
Construction in progress	36,138	31,269	381,329
	2,963,538	3,013,828	36,754,000
Less accumulated depreciation	(1,935,934)	(2,048,914)	(24,986,756)
	1,027,604	964,914	11,767,244
Investments and Other Assets:			
Investments in securities (Notes 2 and 7)	59,669	57,505	701,280
Investments in nonconsolidated subsidiaries and affiliates (Note 7)	32,543	40,960	499,512
Bond issue cost	3,173	2,316	28,244
Deferred tax assets (Note 4)	115,667	101,259	1,234,866
Other assets	180,064	196,174	2,392,366
	391,116	398,214	4,856,268
	¥ 2,836,255	¥ 2,885,678	\$ 35,191,195

The accompanying notes to the consolidated financial statements are an integral part of these statements.

LIABILITIES AND NET ASSETS	Yen (millions)		U.S. Dollars (thousands)
	2010	2011	2011
Current Liabilities:			
Short-term borrowings, including current portion of long-term debt (Notes 5 and 7)	¥ 302,184	¥ 287,330	\$ 3,504,024
Notes and accounts payable (Note 7) —			
Trade	548,988	524,641	6,398,061
Construction and other	100,418	71,356	870,195
Nonconsolidated subsidiaries and affiliates	3,747	6,084	74,195
Accrued expenses	198,274	217,339	2,650,476
Income taxes (Note 4)	14,149	12,471	152,085
Other current liabilities (Note 4)	56,146	126,692	1,545,025
Total current liabilities	1,223,906	1,245,913	15,194,061
Long-term Liabilities:			
Long-term debt (Notes 5 and 7)	517,951	559,920	6,828,292
Allowance for severance and pension benefits (Note 11)	5,462	4,618	56,317
Other long-term liabilities (Note 4)	23,076	26,582	324,171
	546,489	591,120	7,208,780
Contingent Liabilities (Note 10)			
Net Assets (Note 9):			
Common stock:			
Authorized —2,500,000 thousand shares			
Issued —1,110,699 thousand shares	204,676	204,676	2,496,049
Capital surplus	268,534	268,530	3,274,756
Retained earnings	649,795	648,935	7,913,841
Less cost of treasury stock:			
10,285 thousand shares in 2010 and 10,353 thousand shares in 2011	(13,805)	(13,863)	(169,061)
Net unrealized holding gains (losses) on securities	7,372	5,915	72,134
Deferred gains (losses) on hedges	218	(1,028)	(12,536)
Foreign currency translation adjustments	(72,283)	(85,317)	(1,040,451)
Pension liability adjustment of foreign subsidiaries	—	(1,815)	(22,134)
Minority interests	21,353	22,612	275,756
Total net assets	1,065,860	1,048,645	12,788,354
	¥ 2,836,255	¥ 2,885,678	\$ 35,191,195

Consolidated Statements of Operations

Sharp Corporation and Consolidated Subsidiaries for the Years Ended March 31, 2010 and 2011

	Yen (millions)		U.S. Dollars (thousands)
	2010	2011	2011
Net Sales	¥ 2,755,948	¥ 3,021,973	\$ 36,853,329
Cost of Sales	2,229,510	2,452,345	29,906,646
Gross profit	526,438	569,628	6,946,683
Selling, General and Administrative Expenses	474,535	490,732	5,984,537
Operating income	51,903	78,896	962,146
Other Income (Expenses):			
Interest and dividends income	3,547	3,119	38,037
Interest expenses	(7,794)	(8,001)	(97,573)
Foreign exchange gains (losses), net	(4,256)	10,247	124,963
Restructuring charges (Note 13)	(20,078)	(12,655)	(154,329)
Other, net	(17,183)	(30,726)	(374,707)
	(45,764)	(38,016)	(463,609)
Income before income taxes and minority interests	6,139	40,880	498,537
Income Taxes (Note 4):			
Current	15,092	26,927	328,378
Deferred	(15,090)	(7,244)	(88,341)
	2	19,683	240,037
Income before minority interests	6,137	21,197	258,500
Minority Interests in Income of Consolidated Subsidiaries	(1,740)	(1,796)	(21,902)
Net income	¥ 4,397	¥ 19,401	\$ 236,598

	Yen		U.S. Dollars
	2010	2011	2011
Per Share of Common Stock (Note 9):			
Net income	¥ 4.00	¥ 17.63	\$ 0.22
Diluted net income	3.78	16.47	0.20
Cash dividends	17.00	17.00	0.21

The accompanying notes to the consolidated financial statements are an integral part of these statements.

Consolidated Statements of Comprehensive Income

Sharp Corporation and Consolidated Subsidiaries for the Years Ended March 31, 2010 and 2011

	Yen (millions)		U.S. Dollars (thousands)
	2010	2011	2011
Income Before Minority Interests	¥ 6,137	¥ 21,197	\$ 258,500
Other Comprehensive Income:			
Net unrealized holding gains (losses) on securities	9,447	(1,460)	(17,805)
Deferred gains (losses) on hedges	9,378	(1,246)	(15,195)
Foreign currency translation adjustments	(2,948)	(13,254)	(161,634)
Pension liability adjustment of foreign subsidiaries	(1,048)	(612)	(7,464)
Share of other comprehensive income of affiliates accounted for using equity method	33	(236)	(2,878)
Total Other Comprehensive Income	14,862	(16,808)	(204,976)
Comprehensive Income	20,999	4,389	53,524
Comprehensive income attributable to:			
Owners of the parent	19,344	3,052	37,219
Minority interests	1,655	1,337	16,305

Consolidated Statements of Changes in Net Assets

Sharp Corporation and Consolidated Subsidiaries for the Years Ended March 31, 2010 and 2011

	(thousands)				Yen (millions)							Total
	Number of Shares	Common stock (Note 9)	Capital surplus (Note 9)	Retained earnings (Note 9)	Treasury stock	Net unrealized holding gains (losses) on securities	Deferred gains (losses) on hedges	Foreign currency translation adjustments	Pension liability adjustment of foreign subsidiaries	Minority interests		
Balance at March 31, 2009	1,110,699	¥ 204,676	¥ 268,538	¥ 664,924	¥ (13,740)	¥ (1,946)	¥ (9,142)	¥ (74,196)	¥ 0	¥ 9,333	¥ 1,048,447	
Net income				4,397							4,397	
Dividends from surplus				(15,406)							(15,406)	
Change of scope of consolidation				(1,090)							(1,090)	
Change of scope of equity method				(26)							(26)	
Effect resulting from change of accounting period of consolidated subsidiaries				(1,956)							(1,956)	
Effect of unfunded retirement benefit obligation of foreign subsidiaries				(1,048)							(1,048)	
Purchase of treasury stock					(80)						(80)	
Disposal of treasury stock			(4)		15						11	
Net changes of items other than shareholders' equity						9,318	9,360	1,913	0	12,020	32,611	
Balance at March 31, 2010	1,110,699	¥ 204,676	¥ 268,534	¥ 649,795	¥ (13,805)	¥ 7,372	¥ 218	¥ (72,283)	¥ 0	¥ 21,353	¥ 1,065,860	
Effect of changes in accounting policies applied to foreign affiliates accounted for by equity method				(14)							(14)	
Transfer to pension liability adjustment of foreign subsidiaries from retained earnings				1,203					(1,203)		0	
Net income				19,401							19,401	
Dividends from surplus				(22,008)							(22,008)	
Change of scope of consolidation				(438)							(438)	
Change of scope of equity method				996							996	
Purchase of treasury stock					(68)						(68)	
Disposal of treasury stock			(4)		10						6	
Net changes of items other than shareholders' equity						(1,457)	(1,246)	(13,034)	(612)	1,259	(15,090)	
Balance at March 31, 2011	1,110,699	¥ 204,676	¥ 268,530	¥ 648,935	¥ (13,863)	¥ 5,915	¥ (1,028)	¥ (85,317)	¥ (1,815)	¥ 22,612	¥ 1,048,645	

	(thousands)				U.S. Dollars (thousands)							Total
	Number of Shares	Common stock (Note 9)	Capital surplus (Note 9)	Retained earnings (Note 9)	Treasury stock	Net unrealized holding gains (losses) on securities	Deferred gains (losses) on hedges	Foreign currency translation adjustments	Pension liability adjustment of foreign subsidiaries	Minority interests		
Balance at March 31, 2010	1,110,699	\$2,496,049	\$3,274,805	\$7,924,329	\$ (168,354)	\$ 89,902	\$ 2,659	\$ (881,500)	\$ 0	\$ 260,402	\$12,998,292	
Effect of changes in accounting policies applied to foreign affiliates accounted for by equity method				(171)							(171)	
Transfer to pension liability adjustment of foreign subsidiaries from retained earnings				14,671					(14,671)		0	
Net income				236,598							236,598	
Dividends from surplus				(268,390)							(268,390)	
Change of scope of consolidation				(5,342)							(5,342)	
Change of scope of equity method				12,146							12,146	
Purchase of treasury stock					(829)						(829)	
Disposal of treasury stock			(49)		122						73	
Net changes of items other than shareholders' equity						(17,768)	(15,195)	(158,951)	(7,463)	15,354	(184,023)	
Balance at March 31, 2011	1,110,699	\$2,496,049	\$3,274,756	\$7,913,841	\$ (169,061)	\$ 72,134	\$ (12,536)	\$ (1,040,451)	\$ (22,134)	\$ 275,756	\$12,788,354	

The accompanying notes to the consolidated financial statements are an integral part of these statements.

Consolidated Statements of Cash Flows

Sharp Corporation and Consolidated Subsidiaries for the Years Ended March 31, 2010 and 2011

	Yen (millions)		U.S. Dollars (thousands)
	2010	2011	2011
Cash Flows from Operating Activities:			
Income before income taxes and minority interests	¥ 6,139	¥ 40,880	\$ 498,537
Adjustments to reconcile income before income taxes and minority interests to net cash provided by operating activities—			
Depreciation and amortization of properties and intangibles	264,429	272,081	3,318,061
Interest and dividends income	(3,547)	(3,119)	(38,037)
Interest expenses	7,794	8,001	97,573
Foreign exchange (gains) losses	3,609	(938)	(11,439)
Loss on sales and retirement of noncurrent assets	4,930	7,376	89,951
Increase in notes and accounts receivable	(97,440)	(60,547)	(738,378)
Increase in inventories	(22,250)	(83,749)	(1,021,329)
(Decrease) increase in payables	131,698	(762)	(9,293)
Other, net	3,156	20,022	244,171
Total	298,518	199,245	2,429,817
Interest and dividends income received	4,041	3,664	44,683
Interest expenses paid	(7,551)	(8,148)	(99,366)
Income taxes (paid) refund	8,556	(27,318)	(333,146)
Net cash provided by operating activities	303,564	167,443	2,041,988
Cash Flows from Investing Activities:			
Payments into time deposits	(39,764)	(13,200)	(160,976)
Proceeds from withdrawal of time deposits	39,138	31,641	385,866
Purchase of investments in subsidiaries resulting in change in scope of consolidation	—	(24,524)	(299,073)
Purchase of property, plant and equipment	(222,772)	(195,404)	(2,382,976)
Proceeds from sales of property, plant and equipment	1,910	992	12,098
Purchase of investment securities and investments in nonconsolidated subsidiaries and affiliates	(4,101)	(9,738)	(118,756)
Proceeds from sales of investment securities and investments in nonconsolidated subsidiaries and affiliates	1,207	130	1,585
Payments of loans receivable	(226,114)	(4,448)	(54,244)
Collection of loans receivable	226,281	439	5,354
Other, net	(29,590)	(30,501)	(371,963)
Net cash used in investing activities	(253,805)	(244,613)	(2,983,085)
Cash Flows from Financing Activities:			
Net increase (decrease) in short-term borrowings	(171,315)	7,328	89,366
Proceeds from long-term debt	157,174	85,725	1,045,427
Repayments of long-term debt	(15,634)	(78,162)	(953,195)
Proceeds from stock issuance to minority shareholders	10,000	—	—
Purchase of treasury stock	(80)	(68)	(829)
Cash dividends paid	(15,411)	(21,999)	(268,280)
Other, net	(175)	922	11,244
Net cash used in financing activities	(35,441)	(6,254)	(76,267)
Effect of Exchange Rate Change on Cash and Cash Equivalents	(4,187)	(3,790)	(46,220)
Net (Decrease) Increase in Cash and Cash Equivalents	10,131	(87,214)	(1,063,584)
Cash and Cash Equivalents at Beginning of Year	317,358	328,125	4,001,524
Increase in Cash and Cash Equivalents from Newly Consolidated Subsidiary	228	199	2,427
Increase in Cash and Cash Equivalents Resulting from Merger	69	—	—
Increase in Cash and Cash Equivalents Resulting from Change of Accounting Period of Consolidated Subsidiaries	339	—	—
Cash and Cash Equivalents at End of Year	¥ 328,125	¥ 241,110	\$ 2,940,367

The accompanying notes to the consolidated financial statements are an integral part of these statements.

Notes to Consolidated Financial Statements

Sharp Corporation and Consolidated Subsidiaries

1. Summary of Significant Accounting and Reporting Policies

(a) Basis of presenting consolidated financial statements

The accompanying consolidated financial statements of Sharp Corporation ("the Company") and its consolidated subsidiaries have been prepared in accordance with the provisions set forth in the Japanese Financial Instruments and Exchange Law and its related accounting regulations and in conformity with accounting principles generally accepted in Japan ("Japanese GAAP"), which are different in certain respects as to application and disclosure requirements from International Financial Reporting Standards ("IFRS").

The financial statements of the Company's overseas consolidated subsidiaries for consolidation purposes have been prepared in conformity with IFRS or generally accepted accounting principles in the United States of America ("US GAAP"), and partially reflect the adjustments which are necessary to conform with Japanese GAAP.

The accompanying consolidated financial statements have been restructured and translated into English (with certain expanded disclosures) from the consolidated financial statements of the Company prepared in accordance with Japanese GAAP and filed with the appropriate Local Finance Bureau of the Ministry of Finance as required by the Japanese Financial Instruments and Exchange Law. Certain supplementary information included in the Japanese language statutory consolidated financial statements, but not required for fair presentation, is not presented in the accompanying consolidated financial statements.

The translation of the Japanese yen amounts into U.S. dollar amounts is included solely for the convenience of readers outside Japan, using the prevailing exchange rate at March 31, 2011, which was ¥82 to U.S. \$1.00. The translations should not be construed as a representation that the Japanese yen amounts have been, could have been or could in the future be converted into U.S. dollars at this or any other rate of exchange.

(b) Principles of consolidation

The accompanying consolidated financial statements include the accounts of the Company and significant companies over which the Company has power of control through majority voting right or existence of certain conditions evidencing control by the Company. Investments in nonconsolidated subsidiaries and affiliates over which the Company has the ability to exercise significant influence over operating and financial policies are accounted for using the equity method.

In the elimination of investments in consolidated subsidiaries, the assets and liabilities of the subsidiaries, including the portion attributable to minority shareholders, are evaluated using the fair value at the time the Company acquired control of the respective subsidiary.

Material intercompany balances, transactions and unrealized profits have been eliminated in consolidation.

(c) Translation of foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated into Japanese yen at current rates at each balance sheet date, and the resulting translation gains or losses are charged to income.

Assets and liabilities are translated at current rates at each balance sheet date, net assets accounts are translated at historical rates, and revenues and expenses are translated at average rates prevailing during the year. The resulting foreign currency translation adjustments are shown as a separate component in net assets.

(d) Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits on demand placed with banks and highly liquid investments with insignificant risk of changes in value which have maturities of three months or less when purchased.

(e) Investments in securities

Investments in securities consist principally of marketable and nonmarketable equity securities.

The Company and its domestic consolidated subsidiaries categorize those securities as "other securities," which, in principle, include all securities other than trading securities and held-to-maturity securities.

Other securities with available fair market values are stated at fair market value, which is calculated as the average of market prices during the last month of the fiscal year. Unrealized holding gains and losses on these securities are reported, net of applicable income taxes, as a separate component of net assets. Realized gains and losses on the sale of such securities are principally computed using average cost.

Other securities with no available fair market values are stated at average cost.

If the fair market value of other securities declines significantly, such securities are stated at fair market value and the difference between the fair market value and the carrying amount is recognized as loss in the period of decline. If the net asset value of other securities with no available fair market values declines significantly, the securities are written down to the net asset value and charged to income. In these cases, the fair market value or the net asset value is carried forward to the next year.

(f) Inventories

Inventories held by the Company and its domestic consolidated subsidiaries are primarily stated at moving average cost (for balance sheet valuation, in the event that an impairment is determined inventories impairment is computed using net realizable value). For overseas consolidated subsidiaries, inventories are stated at the lower of moving average cost or market.

(g) Depreciation and amortization

For the Company and its domestic consolidated subsidiaries, depreciation of plant and equipment, other than lease assets is computed using the declining-balance method, except for machinery and equipment at the LCD plants in Mie, Kameyama and Sakai, as well as buildings (excluding attached structures) acquired by the Company and its domestic consolidated subsidiaries on and after April 1, 1998; All of which are depreciated using the straight-line method over the estimated useful life of the asset. Properties at overseas consolidated subsidiaries are depreciated using the straight-line method.

Maintenance and repairs, including minor renewals and betterments, are charged to income as incurred.

Amortization of intangible assets except for lease assets is computed using the straight-line method.

Depreciation of lease assets under finance leases that do not transfer ownership is computed using the straight-line method, using the lease period as the depreciable life and the residual value as zero. Finance leases of the Company and its domestic consolidated subsidiaries that do not transfer ownership, for which the starting date of the lease transaction is on and before March 31, 2008, lease payments are recognized as expenses.

(h) Accrued bonuses

The Company and its domestic consolidated subsidiaries accrue estimated amounts of employees' bonuses based on the estimated amounts to be paid in the subsequent period.

(i) Income taxes

The asset and liability approach is used to recognize deferred tax assets and liabilities for the expected future tax consequences of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes.

(j) Severance and pension benefits

The Company and its domestic consolidated subsidiaries have primarily a trustee noncontributory defined benefit pension plan for their employees to supplement a governmental welfare pension plan.

Certain overseas consolidated subsidiaries primarily have defined contribution pension plans and lump-sum retirement benefit plans.

The Company and its domestic consolidated subsidiaries provide an allowance for severance and pension benefits based on the estimated amounts of projected benefit obligation and the fair value of plan assets at the balance sheet date. Projected benefit obligation and expenses for severance and pension benefits are determined based on the amounts actuarially calculated using certain assumptions.

Prior service costs are amortized using the straight-line method over the average of the estimated remaining service years (16 years) commencing with the current period. Actuarial gains and losses are primarily amortized using the straight-line method over the average of the estimated remaining service years (16 years) commencing with the following period.

(k) Research and development expenses and software costs

Research and development expenses are charged to income as incurred. The research and development expenses are charged to income amounted to ¥166,507 million and ¥173,983 million (\$2,121,744 thousand) for the years ended March 31, 2010 and 2011, respectively.

Software costs are recorded principally in other assets. Software used by the Company is amortized using the straight-line method over the estimated useful life of principally 5 years, and software embedded in products is amortized over the forecasted sales quantity.

(l) Derivative financial instruments

The Company and some of its consolidated subsidiaries use derivative financial instruments, including foreign exchange forward contracts in order to hedge the risk of fluctuations in foreign currency exchange rates associated with assets and liabilities denominated in foreign currencies.

All derivative financial instruments are stated at fair value and recorded on the balance sheets. The deferred method is used for recognizing gains or losses on hedging instruments and the hedged items. When foreign exchange forward contracts meet certain conditions, the hedged items are stated by the forward exchange contract rates.

Derivative financial instruments are used based on internal policies and procedures on risk control.

The risks of fluctuations in foreign currency exchange rates have been assumed to be completely hedged over the period of hedging contracts as the major conditions of the hedging instruments and the hedged items are consistent. Accordingly, an evaluation of the effectiveness of the hedging contracts is not required.

The credit risk of such derivatives is assessed as being low because the counter-parties of these transactions have good credit ratings with financial institutions.

(m) Changes in accounting methods**(1) Accounting Standard for Recognizing Revenues and Costs of Construction Contracts**

Previously, revenues and costs of construction contracts had been recognized using the completed-contract method. Effective for the year ended March 31, 2010, the Company and its domestic consolidated subsidiaries have applied the following accounting standards; "Accounting Standard for Construction Contracts" (ASBJ Statement No.15, issued by the ASBJ on December 27, 2007) and the "Guidance on Accounting Standard for Construction Contracts" (ASBJ Guidance No.18, issued by the ASBJ on December 27, 2007). Accordingly, for construction contracts which commenced on and after April 1, 2009, and for which the outcome of the construction activity is deemed certain as of March 31, 2010, the percentage-of-completion method has been applied, otherwise the complete-contract method has been applied. Under the percentage-of-completion method, revenue is recognized, based on the percentage of the actual costs incurred of the estimated total cost. This change has an immaterial impact on the financial statements for the year ended March

31, 2010. The effect of this change on segmented information is stated in Note 12. Segment Information.

(2) Accounting Standard for Pension Benefits

Effective for the year ended March 31, 2010, the Company and its domestic consolidated subsidiaries have applied the "Partial Amendments to Accounting Standard for Retirement Benefits (Part 3)" (ASBJ Statement No.19, issued by the ASBJ on July 31, 2008). This change has no impact on the financial statements for the year ended March 31, 2010.

(3) Accounting Standard for Equity Method of Accounting for Investments

Effective for the year ended March 31, 2011, the Company and its domestic consolidated subsidiaries have applied the "Accounting Standard for Equity Method of Accounting for Investments" (Accounting Standards Board of Japan (ASBJ) Statement No.16, issued by the ASBJ on March 10, 2008) and the "Practical Solution on Unification of Accounting Policies Applied to Associates Accounted for Using the Equity Method" (ASBJ PITF No.24, issued by the ASBJ on March 10, 2008) and made revisions required for consolidated accounting. This change had an immaterial impact on financial statements.

(4) Accounting Standards for Asset Retirement Obligations

Effective for the year ended March 31, 2011, the Company and its domestic consolidated subsidiaries have applied the "Accounting Standard for Asset Retirement Obligations" (ASBJ Statement No.18, issued by the ASBJ on March 31, 2008) and the "Guidance on Accounting Standard for Asset

Retirement Obligations" (ASBJ Guidance No.21, issued by the ASBJ on March 31, 2008). This change had an immaterial impact on financial statements.

(5) Accounting Standard for Business Combinations

Effective for the year ended March 31, 2011, the Company and its domestic consolidated subsidiaries have applied the "Accounting Standard for Business Combinations" (ASBJ Statement No.21, issued by the ASBJ on December 26, 2008), the "Accounting Standard for Consolidated Financial Statements" (ASBJ Statement No.22, issued by the ASBJ on December 26, 2008), the "Partial Amendments to Accounting Standard for Research and Development Costs" (ASBJ Statement No.23, issued by the ASBJ on December 26, 2008), the "Revised Accounting Standard for Business Divestitures" (ASBJ Statement No.7, issued by the ASBJ on December 26, 2008), the "Revised Accounting Standard for Equity Method of Accounting for Investments" (ASBJ Statement No.16, issued by the ASBJ on December 26, 2008), and the "Revised Guidance on Accounting Standard for Business Combinations and Accounting Standard for Business Divestitures" (ASBJ Guidance No.10, issued by the ASBJ on December 26, 2008).

(n) Additional Information

Effective for the year ended March 31, 2011, the Company has applied the "Accounting Standard for Presentation of Comprehensive Income" (ASBJ Statement No.25, issued by the ASBJ on June 30, 2010). In addition, the Company prepared the consolidated statement of comprehensive income for 2010 as well as that for 2011.

2. Investments in Securities

The following is a summary of other securities with available fair market values as of March 31, 2010 and 2011:

	Yen (millions)			
	Acquisition cost	Unrealized gains	Unrealized losses	Fair market value
	2011			
Equity securities	¥ 39,186	¥ 16,343	¥ (6,105)	¥ 49,424
	¥ 39,186	¥ 16,343	¥ (6,105)	¥ 49,424
	U.S. Dollars (thousands)			
	2011			
Equity securities	\$ 477,878	\$ 199,305	\$ (74,451)	\$ 602,732
	\$ 477,878	\$ 199,305	\$ (74,451)	\$ 602,732
	Yen (millions)			
	2010			
Equity securities	¥ 38,955	¥ 17,423	¥ (4,661)	¥ 51,717
	¥ 38,955	¥ 17,423	¥ (4,661)	¥ 51,717

The proceeds from sales of other securities were ¥1,207 million and ¥131 million (\$1,598 thousand) for the years ended March 31, 2010 and 2011, respectively. The gross realized gains

on those sales were ¥187 million and ¥24 million (\$293 thousand), respectively. The gross realized losses on those sales were ¥0 million and ¥0 million (\$0 thousand), respectively.

3. Inventories

Inventories as of March 31, 2010 and 2011 were as follows:

	Yen (millions)		U.S. Dollars (thousands)
	2010	2011	2011
Finished products	¥ 164,670	¥ 191,628	\$ 2,336,927
Work in process	170,091	206,614	2,519,683
Raw materials and supplies	76,502	87,818	1,070,951
	¥ 411,263	¥ 486,060	\$ 5,927,561

4. Income Taxes

The Company is subject to a number of different income taxes which, in the aggregate, indicate a normal tax rate in Japan of approximately 40.6% for the years ended March

31, 2010 and 2011.

The Company and its wholly owned domestic subsidiaries have adopted the consolidated tax return system of Japan.

The following table summarizes the significant differences between the normal tax rate and the effective tax rate for financial statements purposes for the year ended March 31, 2010 and 2011:

	2010	2011
Normal tax rate	40.6%	40.6%
Foreign withholding tax	—	17.9
Dividends income	24.2	3.3
Expenses not deductible for tax purposes	23.8	2.0
Differences in normal tax rates of overseas subsidiaries	(69.8)	(14.6)
Tax effect on equity in earnings of affiliates, net	(8.5)	(3.3)
Other	(10.3)	2.2
Effective tax rate	0.0%	48.1%

Significant components of deferred tax assets and deferred tax liabilities as of March 31, 2010 and 2011 were as follows:

	Yen (millions)		U.S. Dollars (thousands)
	2010	2011	2011
Deferred tax assets:			
Inventories	¥ 21,098	¥ 40,804	\$ 497,610
Allowance for doubtful receivables	1,641	1,365	16,646
Accrued bonuses	10,702	10,972	133,805
Warranty reserve	3,174	4,247	51,793
Software	20,825	20,569	250,841
Long-term prepaid expenses	16,600	16,567	202,036
Loss carried forward	130,647	115,026	1,402,756
Other	47,498	55,589	677,915
Gross deferred tax assets	252,185	265,139	3,233,402
Valuation allowance	(4,409)	(2,897)	(35,329)
Total deferred tax assets	247,776	262,242	3,198,073
Deferred tax liabilities:			
Retained earnings appropriated for tax allowable reserves	(57,209)	(61,752)	(753,073)
Other	(16,359)	(17,027)	(207,646)
Total deferred tax liabilities	(73,568)	(78,779)	(960,719)
Net deferred tax assets	¥ 174,208	¥ 183,463	\$ 2,237,354

Net deferred tax assets as of March 31, 2010 and 2011 were included in the consolidated balance sheets as follows:

	Yen (millions)		U.S. Dollars (thousands)
	2010	2011	2011
Deferred tax assets (Current Assets)	¥ 64,347	¥ 93,810	\$ 1,144,025
Deferred tax assets (Investments and Other Assets)	115,667	101,259	1,234,866
Other current liabilities	(23)	(6)	(73)
Other long-term liabilities	(5,783)	(11,600)	(141,464)
Net deferred tax assets	¥ 174,208	¥ 183,463	\$ 2,237,354

5. Short-term Borrowings and Long-term Debt

The weighted average interest rates of short-term borrowings as of March 31, 2010 and 2011 were 0.4% and 0.8%, respectively. The Company and its consolidated subsidiaries

have had no difficulty in renewing such loans when loans have come due or management has determined such renewal advisable.

Short-term borrowings including current portion of long-term debt as of March 31, 2010 and 2011 consisted of the following:

	Yen (millions)		U.S. Dollars (thousands)
	2010	2011	2011
Bank loans	¥ 70,452	¥ 104,522	\$ 1,274,658
Commercial paper	165,755	139,766	1,704,463
Current portion of long-term debt	65,977	43,042	524,903
	¥ 302,184	¥ 287,330	\$ 3,504,024

Long-term debt as of March 31, 2010 and 2011 consisted of the following:

	Yen (millions)		U.S. Dollars (thousands)
	2010	2011	2011
0.0%–8.0% unsecured loans principally from banks, due 2010 to 2035	¥ 99,994	¥ 149,554	\$ 1,823,830
0.620% unsecured straight bonds, due 2010	30,000	—	—
0.970% unsecured straight bonds, due 2012	20,000	20,000	243,902
1.165% unsecured straight bonds, due 2012	10,000	10,000	121,951
1.423% unsecured straight bonds, due 2014	30,000	30,000	365,854
2.068% unsecured straight bonds, due 2019	10,000	10,000	121,951
0.846% unsecured straight bonds, due 2014	100,000	100,000	1,219,512
1.141% unsecured straight bonds, due 2016	20,000	20,000	243,902
1.604% unsecured straight bonds, due 2019	30,000	30,000	365,854
0.000% unsecured convertible bonds with subscription rights to shares, due 2013	202,497	201,783	2,460,768
1.177% unsecured Euroyen notes issued by a consolidated subsidiary, due 2013	5,057	5,046	61,536
0.400%–0.500% unsecured Pound discount notes issued by a consolidated subsidiary, due 2010 to 2011	698	290	3,537
lease obligations	25,682	26,289	320,598
	583,928	602,962	7,353,195
Less - Current portion included in short-term borrowings	(65,977)	(43,042)	(524,903)
	¥ 517,951	¥ 559,920	\$ 6,828,292

The following is a summary of the terms for conversion and redemption of the convertible bonds with subscription rights to shares:

	Yen Conversion price
0.000% unsecured convertible bonds with subscription rights to shares, due 2013	¥ 2,531.00

The conversion price is subject to adjustment for certain subsequent events such as the issue of common stock at less than market value and stock splits.

If all convertible bonds with subscription rights to shares were converted as of March 31, 2010 and March 31, 2011, 79,018 thousand shares of common stock would have been issuable, in both years.

As is customary in Japan, substantially all of the bank borrowings are subject to general agreements with each bank

which provide, among other things, that security and guarantees for present and future indebtedness will be given upon request of the bank, and that any collateral so furnished will be applicable to all indebtedness to that bank. In addition, the agreements provide that the bank has the right to offset cash deposited against any short-term or long-term debt that becomes due, and in case of default and certain other specified events, against all other debts payable to the bank.

The aggregate annual maturities of long-term debt as of March 31, 2011 were as follows:

Years ending March 31	Yen (millions)	U.S. Dollars (thousands)
2013	¥ 44,801	\$ 546,354
2014	278,485	3,396,158
2015	111,262	1,356,854
2016	19,180	233,902
2017 and thereafter	106,192	1,295,024
	¥ 559,920	\$ 6,828,292

6. Leases

Finance leases

Finance leases that do not transfer ownership for which the starting date of the lease transaction on and before March 31, 2008, lease payments are recognized as expenses.

Information relating to finance leases that do not transfer ownership for which the starting date of the lease transaction is on and before March 31, 2008, as of, and for the years ended March 31, 2010 and 2011, is as follows:

As lessee

(1) Future minimum lease payments and accumulated impairment loss on leased assets

	Yen (millions)		U.S. Dollars (thousands)
	2010	2011	2011
Future minimum lease payments:			
Due within one year	¥ 14,324	¥ 10,183	\$ 124,183
Due after one year	18,161	7,659	93,402
	¥ 32,485	¥ 17,842	\$ 217,585
Accumulated impairment loss on leased assets	¥ 749	¥ 512	\$ 6,244

(2) Lease payments, reversal of allowance for impairment loss on leased assets

	Yen (millions)		U.S. Dollars (thousands)
	2010	2011	2011
Lease payments	¥ 18,515	¥ 14,182	\$ 172,951
Reversal of allowance for impairment loss on leased assets	238	237	2,890

Operating leases

(a) As lessee

Future minimum lease payments for only non-cancelable contracts as of March 31, 2010 and 2011 were as follows:

	Yen (millions)		U.S. Dollars (thousands)	
	2010	2011	2011	
Due within one year	¥ 23,676	¥ 36,883	\$	449,793
Due after one year	41,456	37,860		461,707
	¥ 65,132	¥ 74,743	\$	911,500

(b) As lessor

Future minimum lease receipts for only non-cancelable contracts as of March 31, 2010 and 2011 were as follows:

	Yen (millions)		U.S. Dollars (thousands)	
	2010	2011	2011	
Due within one year	¥ 831	¥ 1,520	\$	18,536
Due after one year	1,641	1,961		23,915
	¥ 2,472	¥ 3,481	\$	42,451

7. Financial Instruments

(a) Qualitative information on financial instruments

(1) Policies for financial instruments

The Company and its consolidated subsidiaries obtain necessary funds, mainly through bank loans and issuing bonds, according to its capital investment plan, for its main business of manufacturing and distributing electronics equipment and electronic components.

Any surplus funds are invested in high quality financial instruments, deemed to be low risk. Short-term operating funds are obtained through issuing commercial paper and bank loans.

Transactions involving such financial instruments are conducted with creditworthy financial institutions. The Company utilizes derivative transactions for minimizing risk and not for speculative or dealing purposes.

(2) Description and risks of financial instruments

Notes and accounts receivable are exposed to customer credit risk. Some notes and accounts receivable are denominated in foreign currencies because the Company has business relations globally and therefore are exposed to foreign currency risk exposures. Notes and accounts payable (excluding other accounts payable) are payable within one year. Some notes and accounts payable arising from the import of raw materials are denominated in foreign currencies and therefore are exposed to foreign currency risk exposures. The Company offsets foreign currency denominated notes and accounts receivable with notes and accounts payable, and uses forward exchange contracts to hedge foreign currency risk exposures.

Other securities are held for the long term to construct

better business alliances and relations with Company customers and suppliers. Other securities are exposed to market price fluctuation risk. Long-term borrowings (included in long-term debt) and bonds (included in short-term borrowings and long-term debt) are mainly in preparation for capital investments. The longest redemption date of bonds is eight and a half years after March 31, 2011.

Derivative transactions consist primarily include forward exchange contracts and currency swap contracts are used to hedge foreign currency risk exposures. Interest swap contracts are used to hedge interest rate risk exposures. For hedging instruments, hedged items, hedging policies and assessment methods of effectiveness of hedging instruments, please see Note 1.

(3) Risk management of financial instruments

[1] Management of credit risk

For notes and accounts receivable, the Company periodically reviews the status of its key customers, monitoring their respective payment deadlines and remaining outstanding balances.

The Company strives to recognize and reduce irrecoverable risks, due to deteriorating financial conditions or other factors, at an early stage. The Company's consolidated subsidiaries also follow the same monitoring and administration process.

[2] Management of market risk

The Company decides basic policy for derivative transactions at the Foreign Exchange Administration

Committee meeting which is held monthly and the Finance Administration Committee meeting which is required by the Company's internal procedure. The Treasury Department of Corporate Accounting and Control Group executes transactions and reports the result of such transactions to the Accounting Department of Corporate Accounting and Control Group on a daily basis. The Accounting Department has set up the specialized section for transaction results and position management, and reports the result of transactions to the General manager of Corporate Accounting and Control Group on a daily basis.

In addition, the Treasury Department reports the result of transactions to the Foreign Exchange Administration Committee and the Finance Administration Committee on a periodic basis. Its consolidated subsidiaries also manage forward foreign exchange transactions in accordance with the rules established by the Company, and report the content of such transactions to the Company on a monthly basis. For interest swap contracts and currency swap contracts, its consolidated subsidiaries execute transactions after

the Company approves.

For other securities and investments in capital, the Company regularly monitors prices and issuer's financial positions, and continually reviews the possession by taking these indices as well as the relationship with issuers into consideration.

[3] Management of liquidity risk in financing activities
The Treasury Department manages the liquidity risk by making and updating the financial plans, based on reports from each section, and maintains ready liquidity.

(4) Supplementary explanation of fair value of financial instruments

The fair value of financial instruments is based on the quoted market price in active market, but in case a market price is not available, reasonably estimated prices are included in the fair value. As variable factors are incorporated in the determination of this reasonably estimated price, it may vary depending on different assumptions. The contract amount related to derivative transactions has nothing to do with the market risk related to the derivative transactions.

(b) Fair values of financial instruments

The consolidated balance sheet amounts, fair values and differences between the two, as of March 31, 2010 and 2011 are as follows:

	Yen (millions)		
	Consolidated Balance Sheet Amount	Fair Value	Difference
			2011
(1) Cash and cash equivalents, Time deposits, and Short-term investments	¥ 247,888	¥ 247,888	¥ 0
(2) Notes and accounts receivable	577,426	573,674	(3,752)
(3) Investments in securities			
1) Shares of nonconsolidated subsidiaries and affiliates	3,364	2,866	(498)
2) Other securities	49,424	49,424	0
Total Assets	878,102	873,852	(4,250)
(4) Notes and accounts payable (excluding other accounts payable)	531,638	531,638	0
(5) Bank loans and Current portion of long-term borrowings (included in short-term borrowings)	128,453	128,453	0
(6) Commercial paper (included in short-term borrowings)	139,766	139,766	0
(7) Straight bonds (included in short-term borrowings and long-term debt)	225,336	229,283	3,947
(8) Bonds with subscription rights to shares (included in long-term debt)	201,783	195,997	(5,786)
(9) Long-term borrowings (included in long-term debt)	125,623	126,992	1,369
Total of Liabilities	1,352,599	1,352,129	(470)
(10) Derivative transactions*	(1,159)	(1,166)	(7)

U.S. Dollars (thousands)			
			2011
	Consolidated Balance Sheet Amount	Fair Value	Difference
(1) Cash and cash equivalents, Time deposits, and Short-term investments	\$ 3,023,025	\$ 3,023,025	\$ 0
(2) Notes and accounts receivable	7,041,780	6,996,024	(45,756)
(3) Investments in securities			
1) Shares of nonconsolidated subsidiaries and affiliates	41,024	34,951	(6,073)
2) Other securities	602,732	602,732	0
Total Assets	10,708,561	10,656,732	(51,829)
(4) Notes and accounts payable (excluding other accounts payable)	6,483,391	6,483,391	0
(5) Bank loans and Current portion of long-term borrowings (included in short-term borrowings)	1,566,500	1,566,500	0
(6) Commercial paper (included in short-term borrowings)	1,704,463	1,704,463	0
(7) Straight bonds (included in short-term borrowings and long-term debt)	2,748,000	2,796,134	48,134
(8) Bonds with subscription rights to shares (included in long-term debt)	2,460,768	2,390,207	(70,561)
(9) Long-term borrowings (included in long-term debt)	1,531,988	1,548,683	16,695
Total of Liabilities	16,495,110	16,489,378	(5,732)
(10) Derivative transactions*	(14,134)	(14,220)	(85)

Yen (millions)			
			2010
	Consolidated Balance Sheet Amount	Fair Value	Difference
(1) Cash and cash equivalents, and Time deposits	¥ 348,414	¥ 348,414	¥ 0
(2) Notes and accounts receivable	541,715	540,750	(965)
(3) Investments in securities			
Other securities	51,717	51,717	0
Total Assets	941,846	940,881	(965)
(4) Notes and accounts payable (excluding other accounts payable)	554,368	554,368	0
(5) Bank loans and Current portion of long-term borrowings (included in short-term borrowings)	97,886	97,886	0
(6) Commercial paper (included in short-term borrowings)	165,755	165,755	0
(7) Straight bonds (included in short-term borrowings and long-term debt)	255,755	258,094	2,339
(8) Bonds with subscription rights to shares (included in long-term debt)	202,497	193,997	(8,500)
(9) Long-term borrowings (included in long-term debt)	72,560	73,965	1,405
Total of Liabilities	1,348,821	1,344,065	(4,756)
(10) Derivative transactions*	(179)	104	283

*Net receivables and payables arising from derivative transactions. Net payables are indicated by “().”

(Note 1) Methods of Calculating the Fair Value of Financial Instruments and Matters Related to Securities and Derivative Transactions

(1) Cash and cash equivalents, Time deposits, and Short-term investments

The fair value of time deposits and Short-term investments approximates their book value, due to their short maturity periods.

(2) Notes and accounts receivable

The fair value of notes and accounts receivable due within a year, approximates their book value. The fair value of notes and accounts receivable with long maturity periods is discounted using a rate which reflects both the period until maturity and credit risk.

(3) Investments in securities

The fair value of investments in securities is based on average quoted market prices for the last month of the fiscal year.

(4) Notes and accounts payable (excluding other accounts payable)

The fair value of notes and accounts payable (excluding other accounts payable) approximates their book value, due to their short maturity periods.

(5) Bank loans and current portion of long-term borrowings (included in short-term borrowings)

The fair value of bank loans and current portion of long-term borrowings approximates their book value, due to their short maturity periods.

(6) Commercial paper (included in short-term borrowings)

The fair value of commercial paper approximates their book value, due to their short maturity periods.

(7) Straight bonds (included in short-term borrowings and long-term debt)

The fair value of marketable straight bonds is determined by the quoted market price. The fair value of non-marketable straight bonds is based on quoted prices from financial institutions.

(8) Bonds with subscription rights to shares (included in long-term debt)

The fair value of marketable bonds with subscription rights to shares is determined by the quoted market prices. The fair value of non-marketable bonds with subscription rights to shares is based on quoted prices from financial institutions.

(9) Long-term borrowings (included in long-term debt)

The fair value of long-term borrowings is determined by the total amount of the principal and interest using the rate which would apply if similar borrowings were newly made.

(10) Derivative transactions

The fair value of currency swap contracts and interest swap contracts is based on quoted prices from financial institutions. The fair value of forward exchange contracts are based on forward exchange rate.

(Note 2) As unlisted stocks ¥39,487 million as of March 31, 2010 and ¥36,567 million (\$445,939 thousand) as of March 31, 2011 and equity ¥371 million as of March 31, 2010 and ¥8,477 million (\$103,378 thousand) as of March 31, 2011 have no quoted market price and as it is not possible to accurately estimate future cash flows, it is very difficult to determine their fair value reasonably. Therefore, they are not included in "(3) Investments in securities."

(Note 3) Maturity analysis for Cash and cash equivalents, Time deposits, and Short-term investments, and Notes and accounts receivable.

	Yen (millions)	
	2011	
	Due in one year or less	Due after one year
Cash and cash equivalents, Time deposits, and Short-term investments	¥ 247,888	¥ —
Notes and accounts receivable	528,103	49,323
Total	¥ 775,991	¥ 49,323

	U.S. Dollars (thousands)	
	2011	
	Due in one year or less	Due after one year
Cash and cash equivalents, Time deposits, and Short-term investments	\$ 3,023,025	\$ —
Notes and accounts receivable	6,440,280	601,500
Total	\$ 9,463,305	\$ 601,500

	Yen (millions)	
	Due in one year or less	Due after one year
Cash and cash equivalents, and Time deposits	¥ 348,414	¥ —
Notes and accounts receivable	530,825	10,890
Total	¥ 879,239	¥ 10,890

(Additional Information)

Effective for the year ended March 31, 2010, the Company and its consolidated subsidiaries have applied the "Accounting Standard for Financial Instruments" (ASBJ Statement No.10, issued by the ASBJ on March 10, 2008)

and the "Guidance on Disclosures about Fair Value of Financial Instruments" (ASBJ Guidance No.19, issued by the ASBJ on March 10, 2008).

8. Business Combinations

As of March 31, 2010 these were as follows:

Transaction under Common Control

(a) Principal Business Targeted for Transaction Under Common Control, Legal Method of Business Combination, Corporate Name after Business Combination and Outline and Purpose of the Transaction

(1) Principal Business Targeted for Transaction Under Common Control

Production and sales of LCD panels and LCD modules

(2) Legal Method of Business Combination

Legal method of business combination is called, a simplified absorption-type corporate split defined under Japanese Corporate Law ("kani-kyushu-bunkatsu"), in which the business is split from the Company. Following this split, Sharp Display Products Corporation, which is a consolidated subsidiary of the Company, absorbs the split business.

(3) Corporate Name after the Business Combination

Sharp Display Products Corporation

(4) Outline and Purpose of the Transaction

The Company's consolidated subsidiary, Sharp Display

Products Corporation, has succeeded the business, in the production and sales business, of large-size LCD panels and LCD modules, through an absorption-type corporate split. This transaction allows the production of large-size LCD panels and modules, which deliver the industry's highest levels of quality, cost and performance, maximizing the advantages gained by using the world's first 10th generation glass substrates.

(b) Outline of Account Processing

The Company and its domestic consolidated subsidiaries have applied the "Accounting Standard for Business Combinations" (Business Accounting Council (BAC) Accounting Standard, issued by the BAC on October 31, 2003) and the "Guidance on Accounting Standard for Business Combinations and Accounting Standard for Business Divestitures" (ASBJ Guidance No.10, issued by the ASBJ on November 15, 2007) as a commonly-controlled business combination.

As of March 31, 2011 these were as follows:

Business Combination by means of Acquisition

(a) Corporate Name and Field of Business of Acquired Company, Main Reason for undertaking Business Combination, Date of Business Combination, Legal Form of Business Combination, Corporate Name after Combination, Ratio of Acquired Voting Rights and Main Reason for deciding Acquiring Company

(1) Corporate Name and Field of Business of Acquired Company

Corporate Name of Acquired Company:

Recurrent Energy, LLC

Field of Business of Acquired Company:

Development and marketing of solar power generation plants

(2) Main Reason for undertaking Business Combination
Demand in the North American photovoltaic market is expected to expand greatly, due to an increase in the number of projects for power companies. In this field, the role of a solar developer is significant. Therefore, the Company acquired shares of Recurrent Energy, LLC, a leading company for development and marketing of solar power generation plants in the U.S. Taking

control of Recurrent Energy, LLC will enable the Company and its consolidated subsidiaries to function as a developer in the photovoltaic field through this acquisition, and further expand its business in this area.

(3) Date of Business Combination

November 4, 2010

(4) Legal Form of Business Combination

Acquisition of equity for cash consideration

(5) Corporate Name after Combination

Recurrent Energy, LLC

(6) Ratio of Acquired Voting Rights

Ratio of Voting Rights after Acquisition of Equity 100%

(7) Main Reason for deciding Acquiring Company

Sharp US Holding Inc., the Company's wholly owned subsidiary, acquired equity of Recurrent Energy, LLC for cash consideration.

(b) Period of Operating Performance of the Acquired Company included in Consolidated Financial Statements From January 1, 2011 to March 31, 2011

(c) Details of the Acquisition Costs for Acquired Company

	Yen (millions)	U.S. Dollars (thousands)
Consideration for the acquisition: amount of investment in Recurrent Energy, LLC as of the date of business combination	¥ 24,820	\$ 302,683
Other costs directly incurred for the acquisition	230	2,805
Total Acquisition Costs	¥ 25,050	\$ 305,488

(d) Amount of Generated Goodwill, Reason for Generation of Goodwill, Goodwill Amortization Method and Period

(1) Amount of Generated Goodwill

¥15,403 million (\$187,841 thousand)

(2) Reason for Generation of Goodwill

Revenue surplus to be expected as a result of business expansion in the future

(3) Goodwill Amortization Method and Period

Equal amortization over ten (10) years

(e) Amount of Assets Accepted and Liabilities Assumed on the Date of Business Combination and their Details

	Yen (millions)	U.S. Dollars (thousands)
Current Assets	¥ 875	\$ 10,671
Non-Current Assets	14,827	180,817
Total Assets	¥ 15,702	\$ 191,488
Current Liabilities	3,939	48,037
Long-term Liabilities	2,543	31,012
Total Liabilities	¥ 6,482	\$ 79,049

(f) Estimated Amount of Impact on the Consolidated Statements of Operation for this Fiscal Year assuming that Business Combination was Completed on the First Day of this Fiscal Year

	Yen (millions)	U.S. Dollars (thousands)
Net Sales	¥ 194	\$ 2,366
Loss before Income Taxes and Minority Interests	4,291	52,329
Net Loss	4,287	52,280

The estimated amount is the difference between net sales, and profit and loss calculated on the assumption that the business combination was completed on the first day of this fis-

cal year, and net sales, and profit and loss on the Consolidated Statements. The estimated amount is un-audited.

9. Net Assets and Per Share Data

Under the Japanese Corporate Law ("the Law"), the entire amount paid for new shares is required to be designated as common stock. However, a company may, by a resolution of the Board of Directors, designate an amount not exceeding one-half of the price of the new shares as additional paid-in capital, which is included in capital surplus.

Under the Law, in cases where a dividend distribution of surplus is made, the smaller of an amount equal to 10% of the dividend or the excess, if any, of 25% of common stock over the total of legal earnings reserve and additional paid-in capital must be set aside as legal earnings reserve or additional paid-in capital. Legal earnings reserve is included in retained earnings in the accompanying consolidated balance sheets.

As of March 31, 2011, the total amount of legal earnings reserve and additional paid-in capital exceeded 25% of the common stock, therefore, no additional provision is required.

Legal earnings reserve and additional paid-in capital may not be distributed as dividends. By the resolution of shareholders' meeting, legal earnings reserve and additional paid-in capital may be transferred to other retained earnings and capital surplus, respectively, which are potentially available for dividends.

The maximum amount that the Company can distribute as dividends is calculated based on the nonconsolidated financial statements of the Company in accordance with the Law.

Year end cash dividends are approved by the shareholders after the end of each fiscal year, and semiannual interim cash dividends are declared by the Board of Directors after the end of each interim six-month period. Such dividends are payable to shareholders of record at the end of each fiscal year or interim six-month period. In accordance with the Law, final cash dividends and the related appropriations of retained earnings have not been reflected in the financial statements at the end of such fiscal year. However, cash dividends per share shown in the accompanying consolidated statements of operations reflect dividends applicable to the respective period.

On June 23, 2011, the shareholders approved the declaration of year end cash dividends totaling ¥7,702 million (\$93,927 thousand) to shareholders of record as of March 31, 2011, covering the year then ended.

10. Contingent Liabilities

As of March 31, 2011, the Company and its consolidated subsidiaries had contingent liabilities as follows:

	Yen (millions)	U.S. Dollars (thousands)
	2011	2011
Loans guaranteed	¥ 28,647	\$ 349,354
	¥ 28,647	\$ 349,354

In relation to TFT-LCD business, the Company and some of its subsidiaries are currently subject to the investigations being conducted by the Directorate General for Competition of the European Commission etc., and civil lawsuits seeking monetary damages resulting from the alleged anticompetitive behavior have been filed against the Company and

some of its subsidiaries in North America and Europe. The Company received a cease and desist order and an administrative surcharge payment order from the Japan Fair Trade Commission. However, the Company has submitted a complaint to the Japan Fair Trade Commission, which is currently pending.

11. Employees' Severance and Pension Benefits

Allowance for severance and pension benefits of the Company and its domestic consolidated subsidiaries as of March 31, 2010 and 2011 consisted of the following:

	Yen (millions)		U.S. Dollars (thousands)
	2010	2011	2011
Projected benefit obligation	¥ 355,894	¥ 353,413	\$ 4,309,914
Less – fair value of plan assets	(290,914)	(282,757)	(3,448,256)
Less – unrecognized actuarial differences	(118,781)	(123,995)	(1,512,134)
Unrecognized prior service costs	29,048	26,049	317,671
Prepaid pension cost	26,456	29,063	354,427
Allowance for severance and pension benefits	¥ 1,703	¥ 1,773	\$ 21,622

In addition, allowances for severance and pension benefits of ¥3,759 million as of March 31, 2010 and ¥2,845 million (\$34,695 thousand) as of March 31, 2011 were provided by certain overseas consolidated subsidiaries.

Expenses for severance and pension benefits of the Company and its domestic consolidated subsidiaries for the years ended March 31, 2010 and 2011 consisted of the following:

	Yen (millions)		U.S. Dollars (thousands)
	2010	2011	2011
Service costs	¥ 12,841	¥ 12,700	\$ 154,878
Interest costs on projected benefit obligation	8,894	8,897	108,500
Expected return on plan assets	(11,137)	(13,091)	(159,646)
Recognized actuarial loss	12,971	10,813	131,866
Amortization of prior service costs	(3,011)	(3,012)	(36,732)
Expenses for severance and pension benefits	¥ 20,558	¥ 16,307	\$ 198,866

The discount rate used by the Company and its domestic consolidated subsidiaries was 2.5% for the years ended March 31, 2010 and 2011. The rate of expected return on plan assets used by the Company and its domestic consolidated subsidiaries for the years ended March 31, 2010

and 2011 was 4.5%.

The estimated amount of all retirement benefits to be paid at future retirement dates is allocated to each service year mainly based on points.

12. Segment Information

General information about reportable segments

The Company Group's reportable segments are components of the Group whose operating results are regularly reviewed by the Board of Directors when making resource allocation and performance assessment decisions, and for which discrete financial information is available.

The Group's reportable segments consist of the Consumer/Information Products business and the Electronic Components

business, based on a classification by similarity in the manufacturing and marketing method of products.

The Consumer/Information Products business segment includes audio-visual and communication equipment, health and environmental equipment and information equipment. The Electronic Components business segment includes LCDs, solar cells and other electronic devices.

Basis of measurement about reported segment profit or loss, segment assets and other material items

The accounting policies for the reportable segments are basically the same as those described in Note 1. Summary of Significant Accounting and Reporting Policies. Intersegment sales and income (loss) are recognized based on the current market price.

Depreciable assets of sales and distribution groups of the

Company's headquarters and the sales subsidiaries depreciable assets not directly allocated to product groups are not allocated to reportable segments. On the other hand, depreciation and amortization of the assets are allocated to reportable segments in accordance with reasonable standards.

Information about reported segment profit or loss, segment assets and other material items

Segment information as of and for the years ended March 31, 2010 and 2011 were as follows:

	Yen (millions)		U.S. Dollars (thousands)
	2010	2011	2011
Net Sales:			
Consumer/Information Products:			
Customers	¥ 1,843,139	¥ 1,969,988	\$ 24,024,244
Intersegment	349	582	7,097
Total	1,843,488	1,970,570	24,031,341
Electronic Components:			
Customers	912,809	1,051,985	12,829,085
Intersegment	462,976	502,032	6,122,342
Total	1,375,785	1,554,017	18,951,427
Adjustments	(463,325)	(502,614)	(6,129,439)
The amount presented in Consolidated Financial Statements	¥ 2,755,948	¥ 3,021,973	\$ 36,853,329
Segment Income (Loss):			
Consumer/Information Products	¥ 53,095	¥ 79,257	\$ 966,549
Electronic Components	35,086	30,728	374,732
Adjustments	(36,278)	(31,089)	(379,135)
The amount presented in Consolidated Financial Statements	¥ 51,903	¥ 78,896	\$ 962,146
Segment Assets:			
Consumer/Information Products	¥ 734,721	¥ 677,100	\$ 8,257,317
Electronic Components	1,318,695	1,484,799	18,107,305
Adjustments	782,839	723,779	8,826,573
The amount presented in Consolidated Financial Statements	¥ 2,836,255	¥ 2,885,678	\$ 35,191,195
Other Material Items			
Depreciation and Amortization:			
Consumer/Information Products	¥ 85,803	¥ 82,276	\$ 1,003,366
Electronic Components	176,124	190,963	2,328,817
Adjustments	7,054	8,025	97,866
The amount presented in Consolidated Financial Statements	¥ 268,981	¥ 281,264	\$ 3,430,049
Amortization of Goodwill:			
Consumer/Information Products	¥ 2,924	¥ 3,033	\$ 36,988
Electronic Components	—	432	5,268
Adjustments	77	85	1,037
The amount presented in Consolidated Financial Statements	¥ 3,001	¥ 3,550	\$ 43,293
Investments in Nonconsolidated Subsidiaries and Affiliates accounted for using the equity methods:			
Consumer/Information Products	¥ 2,970	¥ 3,252	\$ 39,659
Electronic Components	500	7,716	94,098
Adjustments	19,215	21,877	266,792
The amount presented in Consolidated Financial Statements	¥ 22,685	¥ 32,845	\$ 400,549
Increase in Plant, Equipment and Intangible Assets:			
Consumer/Information Products	¥ 66,959	¥ 76,861	\$ 937,329
Electronic Components	207,300	159,220	1,941,707
Adjustments	11,864	14,900	181,708
The amount presented in Consolidated Financial Statements	¥ 286,123	¥ 250,981	\$ 3,060,744

Adjustments of segment income were ¥(36,278) million and ¥(31,089) million (\$379,135 thousand) for the years ended March 31, 2010 and 2011, respectively, and were comprised of elimination of intersegment transactions and corporate expenses not allocated to each reportable segment. Corporate expenses are mainly attributable to basic R&D expenses and expenses related to the administrative groups of the Company's headquarters. The elimination of intersegment transactions were ¥(1,967) million and ¥3,083 million (\$37,598 thousand), respectively. The corporate expenses not allocated to each reportable segment were ¥(37,237) million and ¥(35,880) million (\$437,561 thousand), respectively.

Adjustments of segment assets as of March 31, 2010 and 2011 were ¥782,839 million and ¥723,779 million (\$8,826,573 thousand), respectively, and were comprised of elimination of intersegment transactions and corporate assets not allocated to each reportable segment. The corporate assets not allocated to each reportable segment are mainly attributable to cash and cash equivalents, deferred tax assets, the Company's investments in securities, as well as depreciable assets related to: the Company's R&D groups as well as the administrative, sales and distribution groups of the Company's headquarters. The elimination of intersegment transactions were ¥(38,357) million and ¥(36,464)

million (\$444,683 thousand), respectively. The corporate assets not allocated to each reportable segment were ¥821,196 million and ¥760,243 million (\$9,271,256 thousand), respectively.

Adjustments of investments in nonconsolidated subsidiaries and affiliates accounted for using the equity methods as of March 31, 2010 and 2011 were ¥19,215 million and ¥21,877 million (\$266,792 thousand), respectively, and were mainly comprised of investments in Sharp Finance Corporation.

Adjustments of increase in plant, equipment and intangible assets were ¥11,864 million and ¥14,900 million (\$181,708 thousand) for the years ended March 31, 2010 and 2011, respectively, and were mainly comprised of increase in the Company's R&D groups and the administrative, sales and distribution groups of the Company's headquarters.

Adjustments of segment income were made to reconcile segment income to operating income presented in the Consolidated Statements of Operations.

Depreciation and amortization includes the amortization of long-term prepaid expenses.

Increase in plant, equipment and intangible assets includes the increase in long-term prepaid expenses.

Additional information

Effective for the year ended March 31, 2011, the Company has applied the "Accounting Standard for Disclosures about Segments of an Enterprise and Related Information" (Accounting Standards Board of Japan (ASBJ) Statement No.

17, issued by the ASBJ on March 27, 2009) and the Guidance on Accounting Standard for Disclosures about Segments of an Enterprise and Related Information" (ASBJ Guidance No. 20, issued by the ASBJ on March 21, 2008).

Related information

Sales by product/service for the year ended March 31, 2011 were as follows:

	Yen (millions)	U.S. Dollars (thousands)
	2011	2011
Sales to outside customers:		
LCD Color TVs	¥ 803,592	\$ 9,799,902
LCDs	614,373	7,492,354
Mobile Phones	413,277	5,039,963
Others	1,190,731	14,521,110
Total	¥ 3,021,973	\$ 36,853,329

Sales by region/country for the year ended March 31, 2011 were as follows:

	Yen (millions)	U.S. Dollars (thousands)
	2011	2011
Sales:		
Japan	¥ 1,592,909	\$ 19,425,719
China	516,977	6,304,598
Others	912,087	11,123,012
Total	¥ 3,021,973	\$ 36,853,329

Sales are classified according to regions or countries where customers are located.

Plant and Equipment by region/country as of March 31, 2011 were as follows:

	Yen (millions)	U.S. Dollars (thousands)
	2011	2011
Plant and Equipment, at cost less accumulated depreciation:		
Japan	¥ 870,320	\$ 10,613,659
Others	94,594	1,153,585
Total	¥ 964,914	\$ 11,767,244

Amortization of goodwill and unamortized balance by reportable segment

Amortization of goodwill and unamortized balance by reportable segment as of and for the year ended March 31, 2011 were as follows:

	Yen (millions)	U.S. Dollars (thousands)
	2011	2011
Amortization of Goodwill:		
Consumer/Information Products	¥ 3,033	\$ 36,988
Electronic Components	432	5,268
Corporate Assets and Elimination	85	1,037
Total	¥ 3,550	\$ 43,293
Balance at end of period:		
Consumer/Information Products	¥ 7,708	\$ 94,000
Electronic Components	16,385	199,817
Corporate Assets and Elimination	245	2,988
Total	¥ 24,338	\$ 296,805

13. Restructuring Charges

These restructuring charges for the year ended March 31, 2010 are mainly related to the reorganization of LCD plants, including depreciation and maintenance charges concerning plants that are suspended due to centralization and optimization of LCD production.

These restructuring charges for the year ended March 31, 2011 are mainly related to the reorganization of LCD plants, including depreciation and maintenance charges concerning plants that are suspended due to the production line change to meet the increasing demand for high value-added products.

Independent Auditors' Report



To the Board of Directors of Sharp Corporation:

We have audited the accompanying consolidated balance sheets of Sharp Corporation and consolidated subsidiaries as of March 31, 2011 and 2010, and the related consolidated statements of operations, comprehensive income, changes in net assets and cash flows for the years then ended expressed in Japanese yen. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to independently express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in Japan. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Sharp Corporation and subsidiaries as of March 31, 2011 and 2010, and the results of their operations and their cash flows for the years then ended, in conformity with accounting principles generally accepted in Japan.

The U.S. dollar amounts in the accompanying consolidated financial statements with respect to the year ended March 31, 2011 are presented solely for convenience. Our audit also included the translation of yen amounts into U.S. dollar amounts and, in our opinion, such translation has been made on the basis described in Note 1. (a) to the consolidated financial statements.

KPMG AZSA LLC

Osaka, Japan
June 23, 2011

Consolidated Subsidiaries*1

Domestic:

Sharp Electronics Marketing Corporation
Sharp System Products Co., Ltd.
Sharp Manufacturing Systems Corporation
Sharp Engineering Corporation
Sharp Document Systems Corporation
Sharp Amenity Systems Corporation
Sharp Niigata Electronics Corporation
Sharp Trading Corporation
Sharp Business Computer Software Inc.
Sharp Yonago Corporation
SD Future Technology Co., Ltd.
Sharp Mie Corporation
Sharp Display Products Corporation
iDeep Solutions Corporation
iDeep Global Labs Corporation
Sharp Support & Service Corporation

Overseas:

<Countries and Areas>

Sharp Electronics Corporation <New Jersey, U.S.A.>
Sharp Laboratories of America, Inc. <Washington, U.S.A.>
Sharp Electronics Manufacturing Company of America, Inc. <California, U.S.A.>
Sharp Leasing USA Corp. <New Jersey, U.S.A.>
Sharp US Holding Inc. <California, U.S.A.>
Recurrent Energy, LLC <California, U.S.A.>*2
Sharp Electronics of Canada Ltd. <Ontario, Canada>
Sharp Electronica Mexico S.A. de C.V. <Baja California, Mexico>
Sharp Corporation Mexico, S.A. de C.V. <Mexico City, Mexico>
Sharp Electronics (Europe) GmbH <Hamburg, Germany>
Sharp Electronics (U.K.) Ltd. <Middlesex, U.K.>
IOT PLC <Wakefield, U.K.>
Sharp Laboratories of Europe, Ltd. <Oxford, U.K.>
Sharp International Finance (U.K.) Plc. <Middlesex, U.K.>
Sharp Electronica España S.A. <Barcelona, Spain>
Sharp Electronics (Schweiz) AG <Rüchlikon, Switzerland>
Sharp Electronics (Nordic) AB <Bromma, Sweden>
Sharp Center B AB <Bromma, Sweden>
Sharp Center AB <Stockholm, Sweden>
Sharp Electronics France S.A. <Paris, France>
Societe Francaise D'Equipement Bureautique S.A.S <Toulouse, France>
Sharp Manufacturing France S.A. <Soulz, France>
Sharp Electronics (Italia) S.p.A. <Milano, Italy>
Sharp Electronics Benelux B.V. <Houten, The Netherlands>
Sharp Manufacturing Poland Sp. z o. o. <Torun, Poland>
Sharp Electronics Russia LLC. <Moscow, Russia>
Sharp Electronic Components (Taiwan) Corporation <Taipei, Taiwan>
Sharp (Phils.) Corporation <Manila, Philippines>
Sharp-Roxy Sales (Singapore) Pte., Ltd. <Singapore>
Sharp Electronics (Singapore) Pte., Ltd. <Singapore>
Sharp Manufacturing Corporation (M) Sdn. Bhd. <Johor, Malaysia>
Sharp Electronics (Malaysia) Sdn. Bhd. <Selangor, Malaysia>
Sharp Appliances (Thailand) Ltd. <Chachoengsao, Thailand>
Sharp Manufacturing (Thailand) Co., Ltd. <Nakornpathom, Thailand>
Sharp Solar Maintenance Asia Co., Ltd. <Bangkok, Thailand>
Sharp Software Development India Pvt. Ltd. <Bangalore, India>
Shanghai Sharp Electronics Co., Ltd. <Shanghai, China>
Sharp Office Equipments (Changshu) Co., Ltd. <Changshu, China>
Wuxi Sharp Electronic Components Co., Ltd. <Wuxi, China>
Nanjing Sharp Electronics Co., Ltd. <Nanjing, China>
Sharp Electronics (Shanghai) Co., Ltd. <Shanghai, China>
Sharp Technical Components (Wuxi) Co., Ltd. <Wuxi, China>
Sharp Electronics Sales (China) Co., Ltd. <Shanghai, China>
Sharp Electronics Research & Development (Nanjing) Co., Ltd. <Nanjing, China>
Sharp Laboratories of China Co., Ltd. <Shanghai, China>
P.T. Sharp Electronics Indonesia <Jakarta, Indonesia>
P.T. Sharp Semiconductor Indonesia <West Java, Indonesia>
Sharp Electronics (Vietnam) Company Limited <Ho Chi Minh City, Vietnam>
Sharp Corporation of Australia Pty. Ltd. <New South Wales, Australia>
Sharp Corporation of New Zealand Ltd. <Auckland, New Zealand>
Sharp Middle East FZE <Dubai, U.A.E.>

*1 In addition to the companies listed above, there are 3 consolidated subsidiaries.

*2 Although all of the Recurrent Energy, LLC-owned 278 subsidiaries related to solar power generation plants are included in the scope of consolidation, in counting consolidated subsidiaries of the Company, they and Recurrent Energy, LLC are considered as one company in consideration that it is a solar project developer.