

| FY2024 Review

Sharp Corporation and Consolidated Subsidiaries

Sharp implemented company-wide initiatives to strengthen profitability in FY2024 under our must achieve goal of returning to profitability during the fiscal year. As a result, the Brand Business achieved double-digit increases in both sales and operating profit, and the Device Business significantly narrowed operating losses through progress in structural reforms in the display business. Although company-wide sales decreased year on year, we returned to profitability with significant increases in operating profit, ordinary profit, and profit attributable to owners of parent. Sales and all profit figures also exceeded the announced forecasts.

Net sales amounted to 2,160,146 million yen, down 7.0% year on year. This result was due to lower sales in the Device Business (Display Device and Electronic Device) offsetting sales growth in the Brand Business (Smart Life & Energy, Smart Office, and Universal Network).

Operating profit amounted to 27,338 million yen, compared to an operating loss of 20,343 million yen in the previous fiscal year. Smart Office recorded a significant increase in profit, driven by robust sales. Universal Network also saw a notable rise in profit, supported by higher sales and one-time income. In Display Device, structural reforms helped narrow losses significantly. On the other hand, profit declined in Smart Life & Energy due to yen depreciation and costs related to ceasing the energy solutions business in Europe. Profit also declined in Electronic Device due to significant fluctuations in customer demand. Ordinary profit amounted to 17,653 million yen, compared to an ordinary loss of 7,084 million yen in the previous fiscal year. This improvement was driven by a significant improvement in operating profit, despite recording foreign exchange losses and other factors. Profit attributable to owners of the parent totaled 36,095 million yen, compared to a loss attributable to owners of the parent of 149,980 million yen in the previous fiscal year. We recorded impairment losses and business restructuring expenses, however, the improvement in ordinary profit and gains on sale of non-current assets, such as LCD panel plants, and gains on sale of investment securities, resulted in a return to profitability for the first time in three fiscal years.

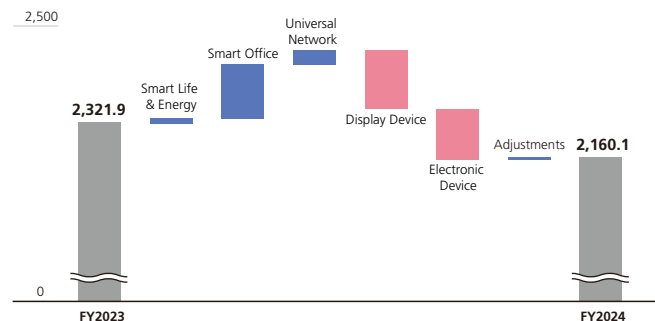
Asset Light Initiatives in the Device Business, set forth in the Medium-Term Management Direction announced in May 2024, were executed steadily in line with the initial schedule. The Brand Business also built a solid foundation for re-growth by implementing structural reforms in low-profit businesses and taking multiple strategic actions toward future growth.

No dividend was paid for FY2024, as retained earnings brought forward showed a deficit in the non-consolidated financial statements.

- Sales increased in all three Brand Business segments compared to the previous fiscal year. Despite the negative impact of the depreciating yen, Brand Business operating profit increased. Although Device Business sales declined, the operating loss significantly narrowed due to the effects of structural reforms in the display business and other factors.
- While net sales decreased, operating profit, ordinary profit, and profit attributable to owners of the parent improved from the previous fiscal year and returned to profitability. Net sales and all profit levels exceeded forecasts.
- We also made steady progress in Asset Light Initiatives and efforts to establish a foundation for FY2025 and beyond.

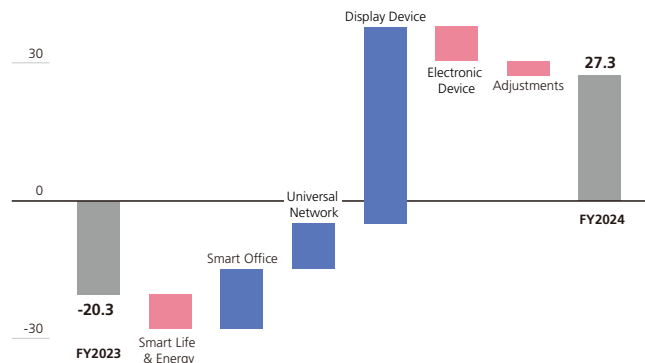
Analysis of Changes in Net sales by Segment

(billions of yen)



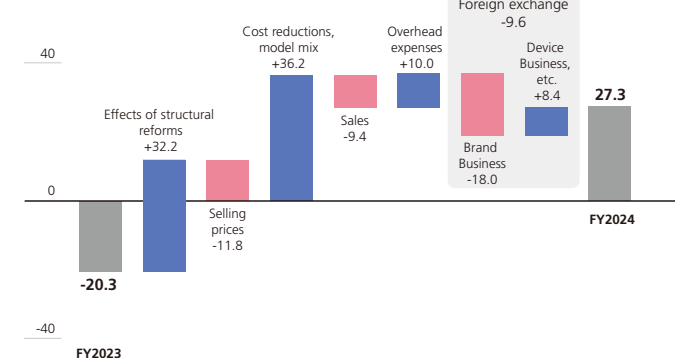
Analysis of Changes in Operating Profit by Segment

(billions of yen)



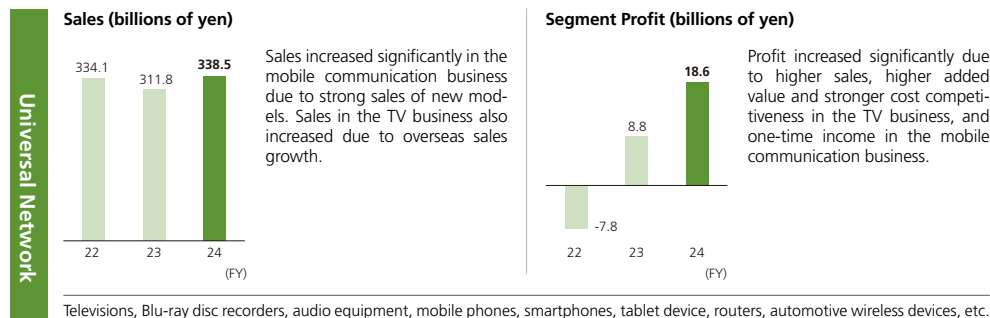
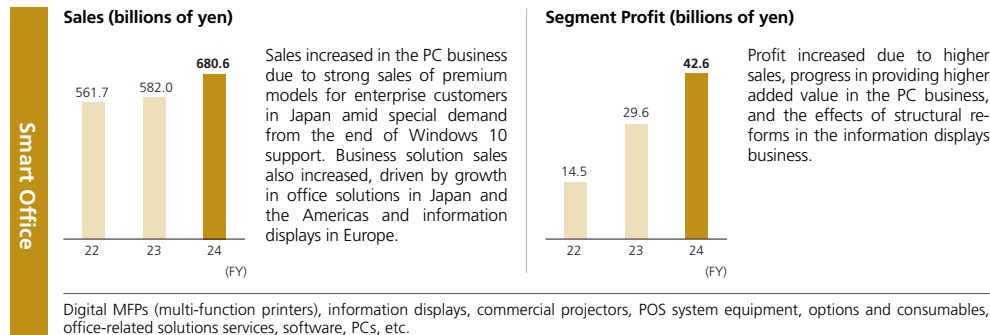
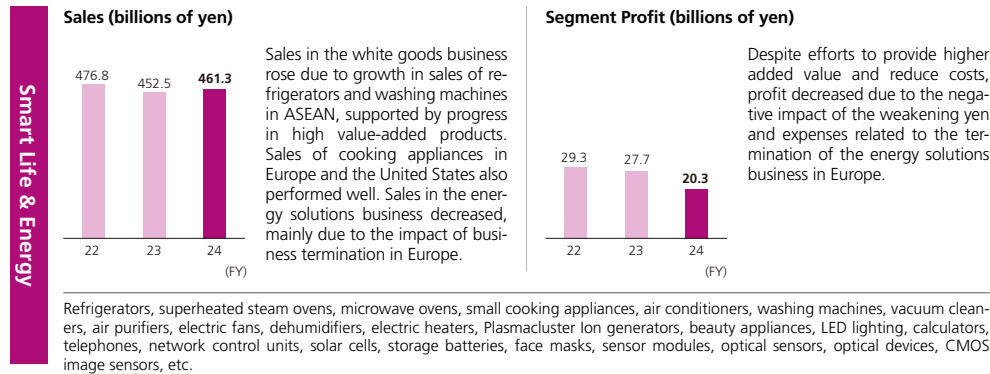
Analysis of Changes in Operating Profit by Factor

(billions of yen)

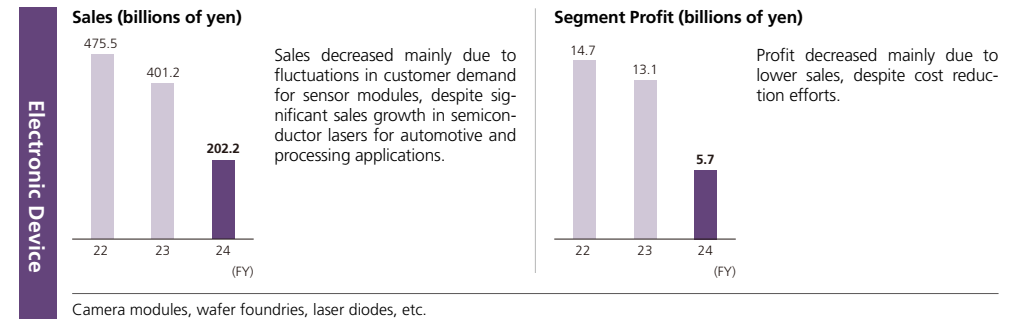
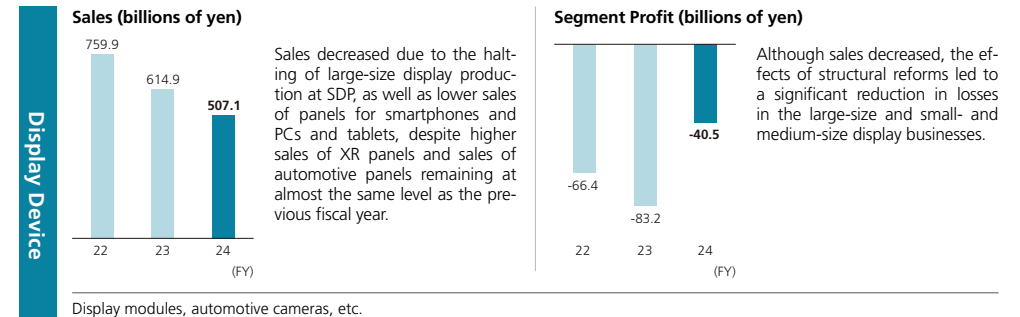


Sales and Segment Profit by Reportable Segment

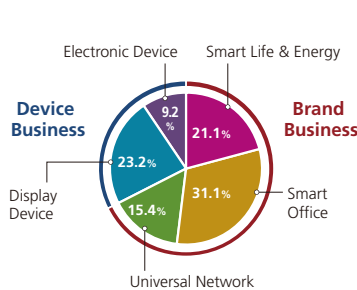
Brand Business



Device Business



Sales by Segment



- Sales figures by segment shown in Segment Information include internal sales and transfers among segments.
- Segment profit figures are amounts before adjustment for inter segment trading.
- Effective from FY2023, we reclassified five segments, consisting of Smart Life, 8K Ecosystem, ICT, Display Device, and Electronic Device into five segments, consisting of Smart Life & Energy, Smart Office, Universal Network, Display Device, and Electronic Device. Figures for FY2022 have been adjusted to reflect the classification.
- Effective from the second quarter of FY2024, Sharp Semiconductor Innovation Corporation, which was previously under the Electronic Device segment, has been included in the Smart Life & Energy segment in accordance with an organizational change. Figures for FY2023 have been adjusted to reflect the reclassification. Figures for FY2022 have not been restated in the segment classification after the change.
- In FY2024, we categorized the Group's reportable segments into five segments: Smart Life & Energy, Smart Office, Universal Network, Display Device and Electronic Device. Effective from FY2025, we have recategorized reportable segments into three segments: Smart Life, Smart Workplace and Display Device. In addition, we group Electronic Device, which is scheduled for business transfer, and Sakai Display Products Corporation, which has halted panel production, under Other and exclude them from reportable segments.