

Consolidated Financial Results for the Third Quarter, Fiscal 2018

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SHARP CORPORATION
January 30, 2019

Forward-Looking Statements

This presentation contains certain statements about the future plans, strategies, and performance of Sharp Corporation and its consolidated subsidiaries (“the Company” or “Sharp”). Statements not based on historical or present facts are assumptions and estimates based on information available at the time. Future plans, strategies, and performance are subject to known and unknown risks, uncertainties, and other factors. Actual performance, business activities, and financial position may differ materially from the assumptions and estimates provided herein due to risks, uncertainties, and other factors. Sharp is under no obligation to update these forward-looking statements in light of new information, future events, or other factors. Risks, uncertainties, and other matters that could affect actual results include, but are not limited to, the following factors:

- (1) The economic conditions in which Sharp operates
- (2) Sudden, rapid fluctuations in demand for Sharp products and services, as well as intensified price competition
- (3) Exchange rate fluctuations (particularly between the yen and the U.S. dollar, the euro, and other currencies)
- (4) Regulations, including trade restrictions with other countries
- (5) The progress of collaborations and alliances with other companies
- (6) Litigation and other legal proceedings against Sharp
- (7) Rapid technological changes in products and services, etc.

*Amounts less than 100 million yen shown in this presentation material have been rounded down.

*Year-on-year change has been calculated based on 100 million yen units. Percentage change has been calculated based on actual figures.

**I . Consolidated Financial Results
for the Third Quarter, Fiscal 2018
Consolidated Financial Results
Forecasts for Fiscal 2018**

Consolidated Financial Results for the Third Quarter, Fiscal 2018 (1)

- We are moving further in the shift to *quality above quantity* in consideration of the current business environment
- Although U.S.-China trade frictions, fluctuations in demand among major customers, and other issues impacted sales, we secured bottom-line profit and profit margin outperforming the same period in the prior fiscal year
- Cumulative profit margin from the beginning of the period is a record high for the company

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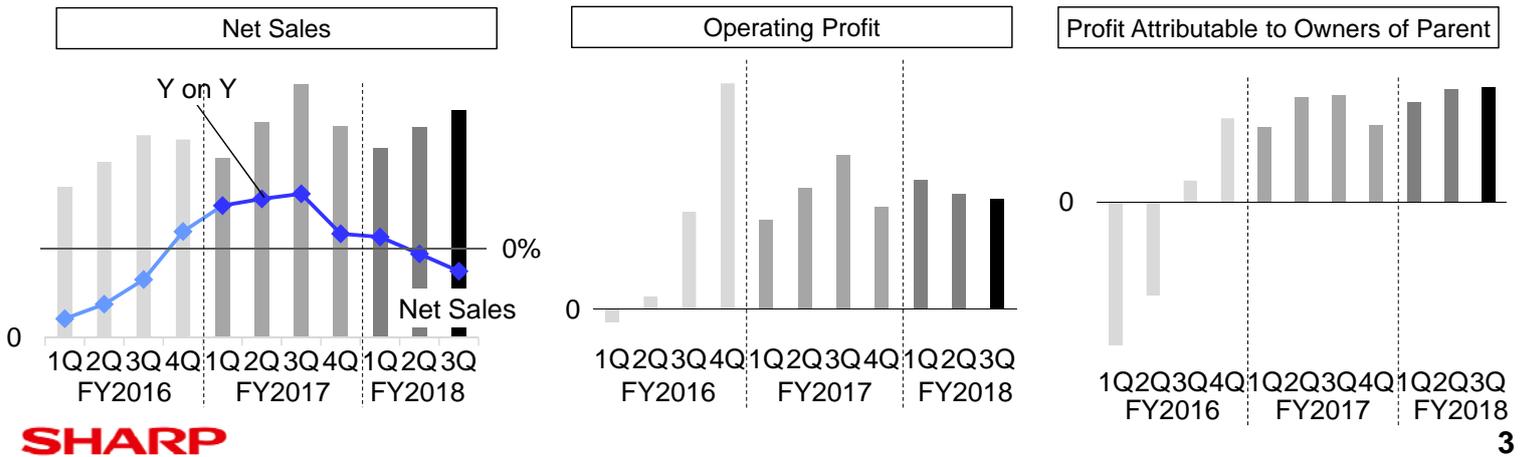
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- First, let's take a look at our consolidated financial results for the third quarter of fiscal 2018.
- We moved forward in our transition to quality above quantity in consideration of the business environment during Q3.
- Although U.S.-China trade friction, fluctuation in demand among major customers, and other issues impacted sales, we were able to record a year-on-year increase in profitable attributable to owners of the parent and profit margin growth.

Cumulative profit margin between April and December reached a record high.

Consolidated Financial Results for the Third Quarter, Fiscal 2018 (2)

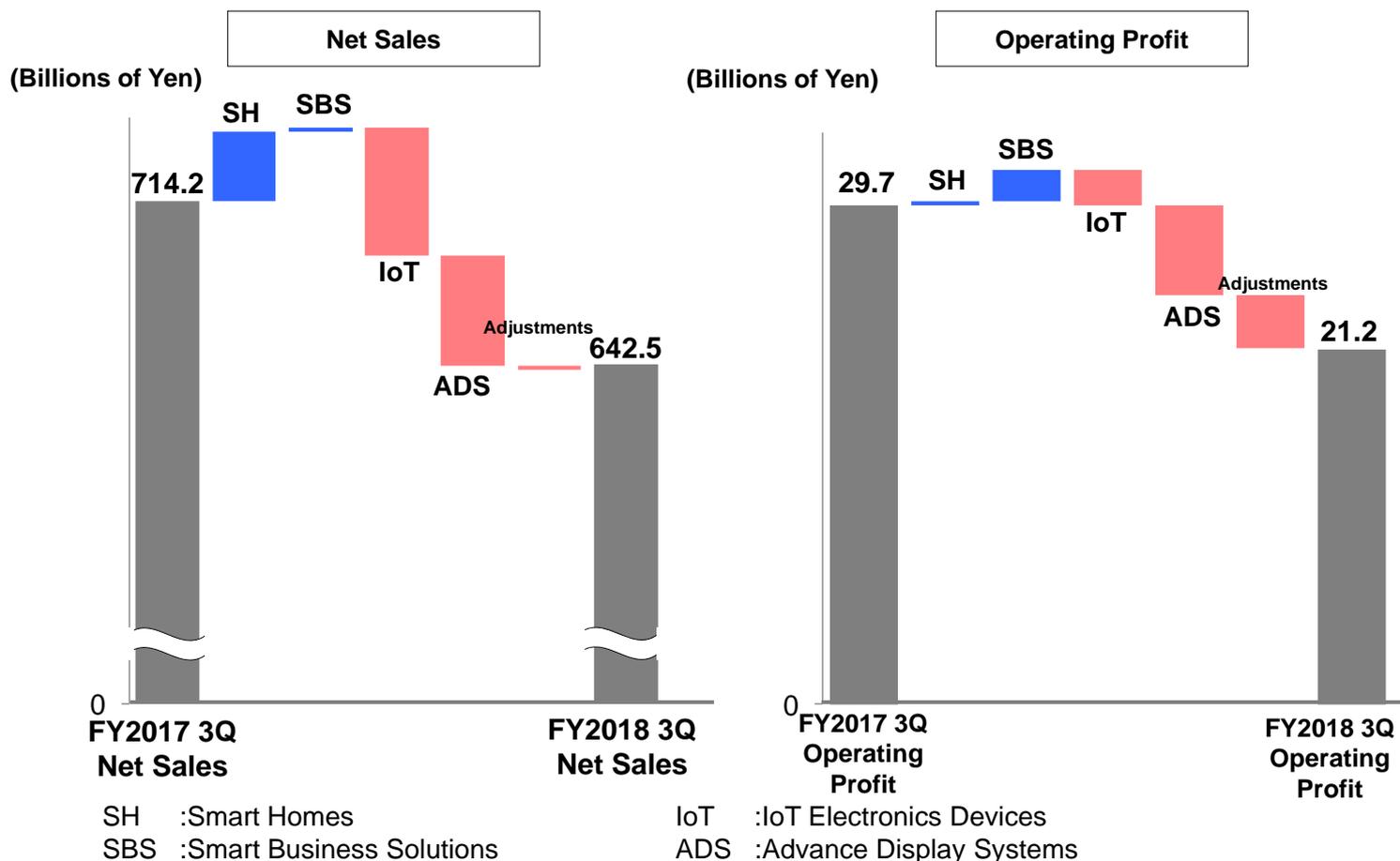
	(Billions of Yen)		
	FY2017	FY2018	
	3Q	3Q	Y on Y
Net Sales	714.2	642.5	-10.0%
Operating Profit	29.7	21.2	-28.6%
Ordinary Profit	29.9	18.8	-37.3%
Profit Attributable to Owners of Parent	20.6 (2.9%)	22.1 (3.4%)	+7.3%
Avg. Exchange Rate			
USD/JPY	111.98	111.90	
Euro/JPY	131.51	127.28	



- The next slide provides highlights of our financial results for the third quarter of fiscal 2018.
- Net sales fell 10.0% year on year to 642.5 billion yen.
- Operating profit amounted to 21.2 billion yen, down 28.6% year on year, while ordinary profit amounted to 18.8 billion yen, down 37.3%. Profit attributable to owners of parent amounted to 22.1 billion yen, up 7.3% year on year.

While third quarter net sales were lower year on year, bottom-line profit and profit margin both outperformed the same period of the prior fiscal year, partly due to our transition to quality above quantity.

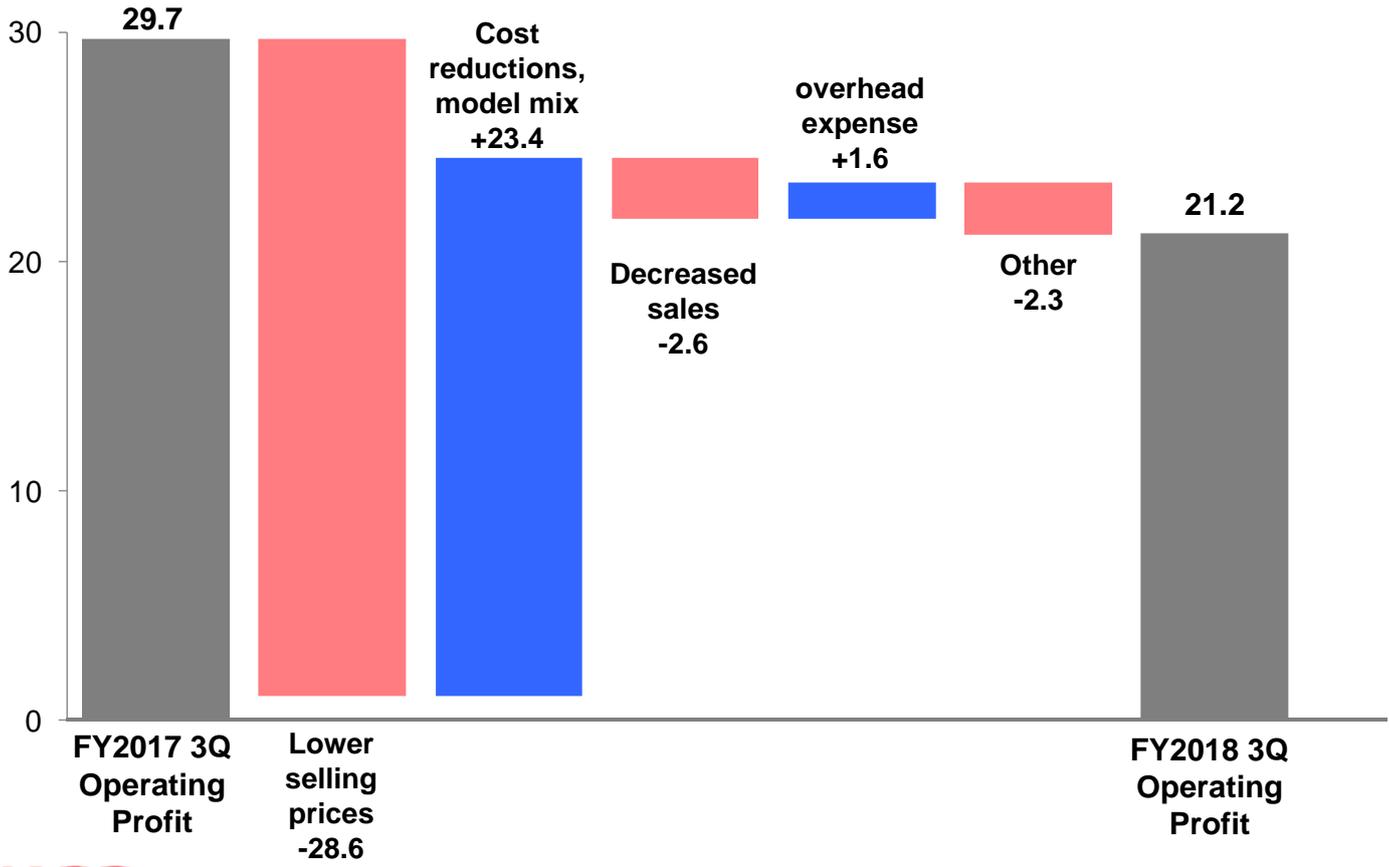
Sales and Operating Profit Analysis: Y on Y Change by Segment, Third Quarter FY2018



- The next graphs provide a year-on-year change analysis for net sales and operating profit.
 - As you can see, performance in our Smart Homes and Smart Business Solutions product segments was solid. At the same time, performance in our IoT Electronics Devices and Advance Display Systems, which represent our devices and TV businesses, drove overall performance lower.
- This result was mainly due to fluctuations in demand for devices by our customers as a result of the U.S.-China trade friction, as well as our decision to limit sales of TVs in China as part of our transition to quality above quantity.

Operating Profit Analysis: Y on Y Change Factors, Third Quarter FY2018

(Billions of Yen)



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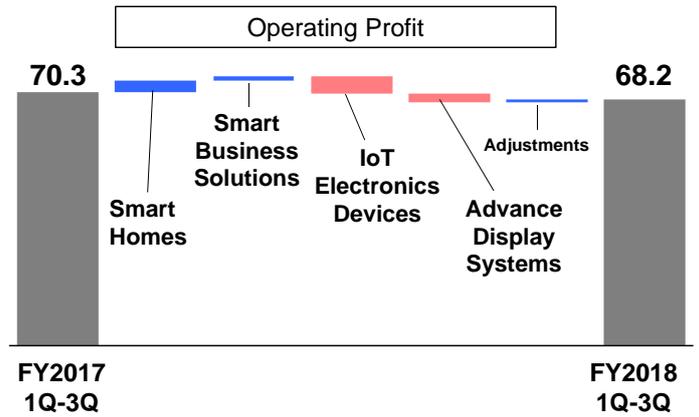
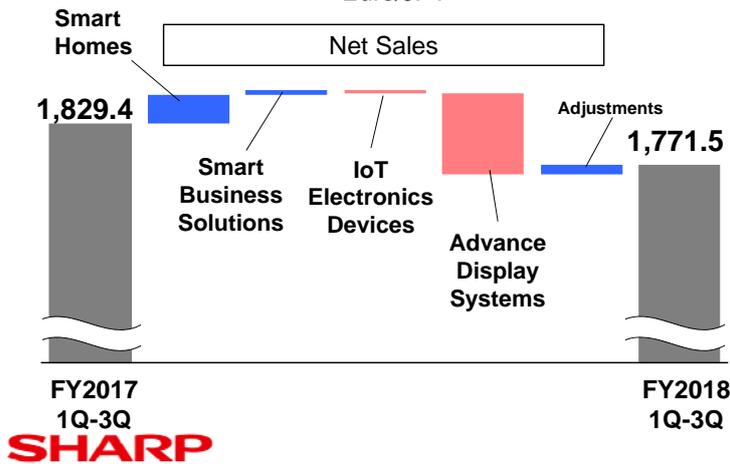
- The next graph shows our analysis of year-on-year changes in operating profit.
- The year-on-year fluctuation in operating profit compared to the third quarter of fiscal 2017 is mainly due to lower selling prices leading to 28.6 billion yen in lower profits and the impact of 2.6 billion yen in revenue factors due to lower sales. These declines were partially offset by a 23.4 billion yen profit increase associated with cost reductions and model mix and a 1.6 billion yen profit increase related to profitability improvements associated with overhead expenses.

Cumulative Consolidated Financial Results for the Third Quarter, Fiscal 2018

- As with the first six months of the fiscal year, cumulative third quarter profit attributable to owners of parent reached a record high

(Billions of Yen)

	FY2017	FY2018	
	1Q-3Q	1Q-3Q	Y on Y
Net Sales	1,829.4	1,771.5	-3.2%
Operating Profit	70.3	68.2	-3.0%
Ordinary Profit	71.1	62.0	-12.8%
Profit Attributable to Owners of Parent	55.3 (3.0%)	63.0 (3.6%)	+13.9%
Avg. Exchange Rate			
USD/JPY	110.71	110.15	
Euro/JPY	127.03	127.99	



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- Next, let's take a look at cumulative financial performance through the third quarter of fiscal 2018.
- Net sales amounted to 1,771.5 billion yen, a 3.2% decrease year on year, mainly due to our limiting sales of TVs in China.
- Operating profit amounted to 68.2 billion yen and ordinary profit amounted to 62.0 billion yen, down 3.0% and 12.8%, respectively. Profit attributable to owners of parent was 13.9% higher at 63.0 billion yen.

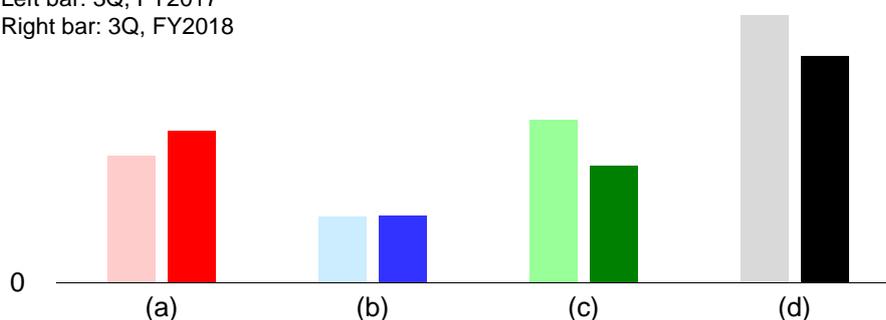
Ongoing structural improvements are partially responsible for record-high cumulative profit margin, the highest since we began disclosing quarterly results.

Sales by Segment

(Billions of Yen)

	FY2017		FY2018					
	3Q	1Q-3Q	1Q	2Q	3Q	Y on Y	1Q-3Q	Y on Y
(a) Smart Homes	148.9	439.6	150.5	150.0	178.6	+19.9%	479.2	+9.0%
(b) Smart Business Solutions	77.3	231.7	76.5	81.9	79.2	+2.5%	237.7	+2.6%
(c) IoT Electronics Devices	192.2	392.7	113.3	137.4	137.7	-28.4%	388.5	-1.1%
(d) Advance Display Systems	314.6	836.3	211.1	247.1	267.2	-15.1%	725.5	-13.2%
Subtotal	733.2	1,900.4	551.5	616.6	662.8	-9.6%	1,831.0	-3.7%
Adjustments	-18.9	-71.0	-17.6	-21.4	-20.3	-	-59.5	-
Total	714.2	1,829.4	533.8	595.1	642.5	-10.0%	1,771.5	-3.2%

Left bar: 3Q, FY2017
Right bar: 3Q, FY2018



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*Sales include inter-segment sales and transfers.

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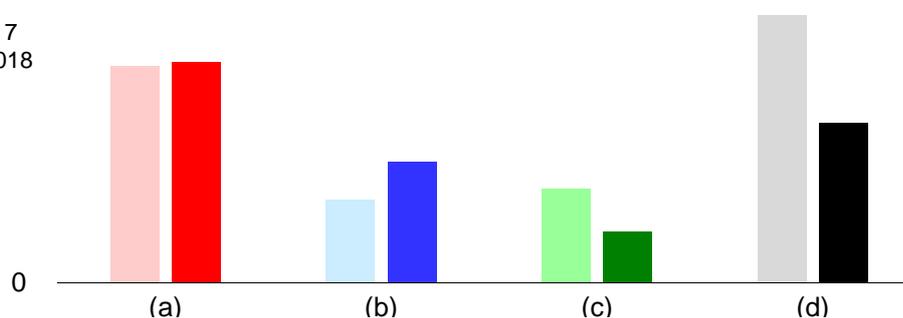
- This next slide shows sales by segment.
- Our Smart Homes segment grew 19.9% year on year to third quarter sales of 178.6 billion yen for the first half. Our air conditioners and energy solutions' overseas EPC business recorded significant growth. Sales of vacuum cleaners and washing machines were also strong. In addition, the new consolidation of Dynabook Inc. in October of last year contributed to performance.
- The Smart Business Solutions segment reported year-on-year growth of 2.5%, recording sales of 79.2 billion yen.
- Our IoT Electronics Devices segment recorded sales of 137.7 billion yen, 28.4% lower year on year. Despite growth in semiconductors and other sectors, sales to major customers of sensor modules and camera modules for smartphones underperformed prior year.
- The Advance Display Systems segment recorded sales of 267.2 billion yen, down 15.1% year on year. This result was mainly due to our limiting sales of LCD TVs in China and fluctuations in demand for smartphone panels by major customers. Our LCD TV business grew in Japan with the start of new 4K8K broadcasts, and LCD TV sales outside of China (where we have limited our sales) have grown. Our display business recorded higher sales. While sales of panels for smartphones were lower, sales of medium-size panels for use in PCs, tablets, and other applications grew for the period.

Operating Profit by Segment

*Figures within parentheses indicate operating margin. (Billions of Yen)

	FY2017		FY2018					
	3Q	1Q-3Q	1Q	2Q	3Q	Y on Y	1Q-3Q	Y on Y
(a) Smart Homes	10.6 (7.2%)	31.1 (7.1%)	11.8 (7.9%)	11.4 (7.6%)	10.8 (6.1%)	+2.1%	34.2 (7.1%)	+9.9%
(b) Smart Business Solutions	4.1 (5.3%)	13.8 (6.0%)	3.9 (5.2%)	5.0 (6.1%)	5.9 (7.5%)	+44.4%	14.9 (6.3%)	+8.1%
(c) IoT Electronics Devices	4.6 (2.4%)	7.4 (1.9%)	0.6 (0.6%)	-0.3 (-0.3%)	2.5 (1.8%)	-45.4%	2.8 (0.7%)	-62.1%
(d) Advance Display Systems	13.1 (4.2%)	29.5 (3.5%)	10.5 (5.0%)	8.4 (3.4%)	7.8 (2.9%)	-40.3%	26.8 (3.7%)	-9.1%
Subtotal	32.6 (4.4%)	81.9 (4.3%)	27.0 (4.9%)	24.5 (4.0%)	27.2 (4.1%)	-16.5%	78.8 (4.3%)	-3.8%
Adjustments	-2.8	-11.6	-2.2	-2.3	-5.9	-	-10.6	-
Total	29.7 (4.2%)	70.3 (3.8%)	24.8 (4.6%)	22.2 (3.7%)	21.2 (3.3%)	-28.6%	68.2 (3.9%)	-3.0%

Left bar: 3Q, FY2017
Right bar: 3Q, FY2018



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- Let's turn to the next slide, which shows operating profit by segment. Each segment reported operating profits.
- Smart Homes segment operating profit amounted to 10.8 billion yen, a 2.1% increase year on year. This result was mainly due to higher sales of white goods and other products, combined with further cost reductions.
- The Smart Business Solutions segment recorded 5.9 billion yen in operating profit, up 44.4%. This result reflects both sales growth and lower overhead expenses.
- Despite the impact of lower sales and increased depreciation and amortization expenses stemming from growth investments, etc., lower overhead expenses and cost reduction measures resulted in a profit of 2.5 billion yen for IoT Electronics Devices.
- In addition to lower sales, the markets have suffered from U.S.-China trade friction. At the same time, we have incurred costs in launching organic EL displays, etc. However, further cost reductions allowed us to secure 7.8 billion yen in profits in our Advance Display Systems segment.

Non-Operating Income (Expenses) / Extraordinary Income (Losses)

(Billions of Yen)

	FY2017		FY2018					
	3Q	1Q-3Q	1Q	2Q	3Q	(Y on Y)	1Q-3Q	(Y on Y)
Operating Profit	29.7	70.3	24.8	22.2	21.2	-8.5	68.2	-2.1
Non-operating Income (Expenses)	+0.2	+0.7	-3.5	-0.2	-2.4	-2.6	-6.2	-6.9
Interest expense	-1.1	-3.6	-1.1	-1.0	-1.1	0.0	-3.3	+0.3
Foreign exchange gain (loss)	+1.5	+7.2	-4.6	+0.9	-0.7	-2.2	-4.4	-11.6
Share of profit (loss) of entities accounted for using equity method	+1.2	+2.2	-2.3	-0.9	-1.9	-3.1	-5.2	-7.4
Ordinary Profit	29.9	71.1	21.2	21.9	18.8	-11.1	62.0	-9.1
Extraordinary Income (Losses)	-0.3	-1.0	+0.8	+0.5	+6.5	+6.8	+7.9	+8.9
Gain on bargain purchase	-	+0.8	-	-	+3.9	+3.9	+3.9	+3.1
Pretax Income	29.6	70.0	22.1	22.4	25.3	-4.3	69.9	-0.1
Income Taxes, etc.	-8.9	-14.6	-2.9	-0.6	-3.2	+5.7	-6.8	+7.8
Profit Attributable to Owners of Parent	20.6	55.3	19.2	21.7	22.1	+1.5	63.0	+7.7

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- The next slide addresses non-operating income, extraordinary income, and income taxes.
- During the third quarter, we incurred foreign exchange losses and shares of losses of entities accounted for using equity method, both recorded as non-operating losses. However, as with the prior fiscal year, we did not incur significant non-operating loss or extraordinary loss.

Consolidated Balance Sheets

- Cash and deposits as of Dec. 31, 2018 amounted to 295.7 billion yen, compared to 294.3 billion yen as of Sept. 30, 2018
- Net assets as of Dec. 31, 2018 amounted to 444.6 billion yen, up 12.9 billion yen compared to the balance as of Sept. 30, 2018

				(Billions of Yen)			
	FY2017	FY2018			FY2017	FY2018	
	End of Mar.	End of Sep.	End of Dec.		End of Mar.	End of Sep.	End of Dec.
Cash and deposits	422.3	294.3	295.7	Notes and accounts payable - trade	429.4	400.6	467.4
Notes and accounts receivable - trade	471.5	512.7	540.6	Short-term loans payable	81.2	68.6	68.3
Inventories	219.7	232.6	278.3	Current portion of bonds payable	10.0	40.0	40.0
Other current assets	103.6	109.0	105.2	Other current liabilities	312.7	266.7	269.1
Current Assets	1,217.1	1,148.8	1,220.0	Current Liabilities	833.4	776.0	844.9
Property, plant and equipment	428.5	425.2	419.9	Bonds payable	30.0	0.0	0.0
Intangible assets	44.7	45.3	43.9	Long-term loans payable	507.0	529.0	528.6
Investments and other assets	217.8	258.7	278.8	Other non-current liabilities	136.2	141.4	144.3
Non-current Assets	691.2	729.3	742.6	Non-current Liabilities	673.2	670.4	673.0
Deferred Assets	0.0	0.0	0.0	Net Assets	401.7	431.7	444.6
Total Assets	1,908.4	1,878.1	1,962.6	Total Liabilities and Net Assets	1,908.4	1,878.1	1,962.6
Exchange Rate, End of Period							
USD/JPY	105.27	112.58	109.91	Equity Ratio	19.8%	21.7%	21.6%
Euro/JPY	129.08	130.65	125.38	Equity	378.3	408.0	423.2

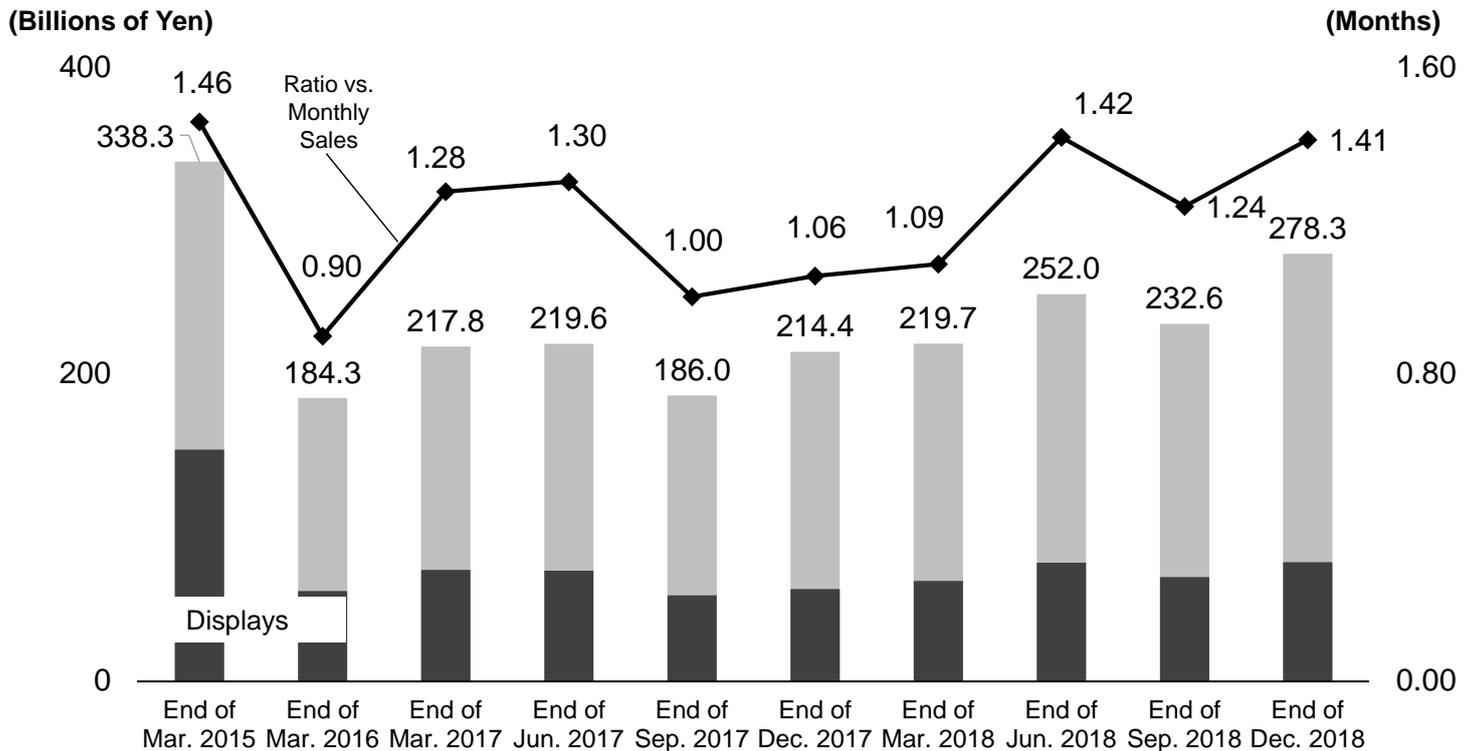
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- The next slide provides information about our balance sheets.
- Cash and deposits at the end of the third quarter of fiscal 2018 amounted to 295.7 billion yen, compared to 294.3 billion yen at the end of the second quarter.
- Net assets as of the end of the third quarter amounted to 444.6 billion yen, compared to 431.7 billion yen at the end of the second quarter. This increase was mainly due to steadily accumulating profits.
- Our equity ratio remained essentially level with the end of the second quarter. Although equity increased due to steadily increasing profits, increases in accounts receivable as result of higher sales compared the second quarter and other factors resulted in an increase in total assets.

Inventory Trends

- Inventory amounted to 278.3 billion yen, compared to a balance of 232.6 billion yen as of Sept. 30, 2018. This increase was due to several factors, including the impact of consolidating Dynabook Inc. (formerly Toshiba Client Solutions Co., Ltd.)
- We will continue to maintain appropriate levels of inventory in response to our sales plans



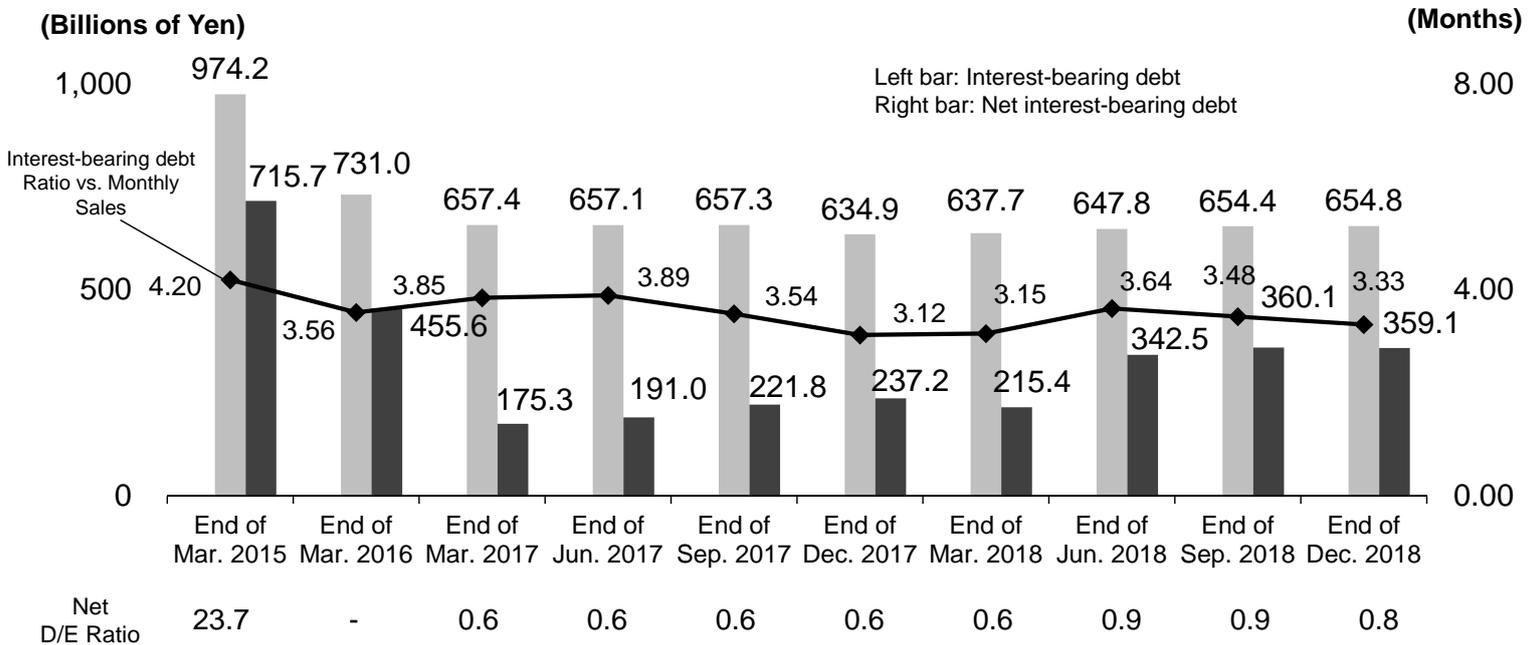
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- The next slide discusses our inventory trends.
- Inventory at the end of the third quarter amounted to 278.3 billion yen, compared to 232.6 billion yen at the end of the second quarter. Our ratio of inventory to monthly sales change from 1.24 months to 1.41 months. This result was mainly due to the consolidation of Dynabook Inc. and the temporary impact of demand fluctuations due to U.S.-China trade friction.
- We continue to maintain appropriate inventory levels considering our business portfolio. However, we are strengthening and engaging in even more careful inventory management, keeping an even closer eye on demand fluctuations and sales risks in response to the major changes occurring in our business environment.

Interest-Bearing Debt Trends

- Interest-bearing debt amounted to 654.8 billion yen as of Dec. 30, 2018, essentially unchanged from Sept. 30, 2018
Interest-bearing debt to monthly sales ratio changed from 3.48 months to 3.33 months
- Net interest-bearing debt* amounted to 359.1 billion yen, compared to 360.1 billion yen as of Sept. 30, 2018



*Net interest-bearing debt: interest-bearing debt – cash and deposits

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- Next, let's take a look at interest-bearing debt.
- Interest-bearing debt as of the end of the third quarter of fiscal 2018 amounted to 654.8 billion yen, essentially unchanged compared to 654.4 billion yen at the end of the second quarter.
Net interest-bearing debt amounted to 359.1 billion yen, compared to 360.1 billion yen at the end of the second quarter, mainly due to an increase in cash and deposits.
- We will continue to optimize inventories and invest more efficiently in equipment to improve cash flows.

Consolidated Financial Results Forecast for Fiscal 2018 (1)

- Trade friction between the U.S. and China and other factors have resulted in fluctuations in demand among device customers and others, leading us to revise our financial result forecast for the fiscal year.
- As we transition to *quality above quantity* and make further structural improvements, we expect to achieve our forecast for profit attributable to owners of parent as revised upward on October 30.
- We expect final margin to reach the highest level in 30 years.

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- Next, I will discuss our consolidated earnings forecast for fiscal 2018.
- We have amended our fiscal year earnings forecast mainly due to fluctuations in customer demand for devices in response to U.S.-China trade friction, etc.
- As we transition to quality above quantity and continue to make structural improvements, we believe we will achieve our latest forecast for profit attributable to owners of parent, which we revised upward in our financial results announcement for the first half of fiscal year.
- We expect final margin to reach the highest level in 30 years.

Consolidated Financial Results Forecast for Fiscal 2018 (2)

- Considering the impact of U.S.-China trade friction and other issues on demand, we have revised our forecasts for net sales, operating profit and ordinary profit
- Due to progress in structural improvements, we expect to achieve our previous forecast for profit attributable to owners of parent

(Billions of Yen)

	FY2018					FY2018
	1Q	2Q	3Q	Fiscal Year Forecast	Y on Y	Previous Forecast
Net Sales	533.8	595.1	642.5	2,500.0	+3.0%	2,690.0
Operating Profit	24.8	22.2	21.2	107.0	+18.7%	112.0
(margin)	(4.6%)	(3.7%)	(3.3%)	(4.3%)		(4.2%)
Ordinary Profit	21.2	21.9	18.8	96.0	+7.5%	101.0
(margin)	(4.0%)	(3.7%)	(2.9%)	(3.8%)		(3.8%)
Profit Attributable to Owners of Parent	19.2	21.7	22.1	90.0	+28.2%	90.0
(margin)	(3.6%)	(3.7%)	(3.4%)	(3.6%)		(3.3%)

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- The next slide summarizes our earnings forecasts.
- We expect fiscal 2018 net sales to grow 3.0% year on year, reaching 2,500.0 billion yen.
- We forecast operating profit of 107.0 billion yen (18.7% increase), ordinary profit of 96.0 billion yen (7.5% increase), and profit attributable to owners of parent of 90.0 billion yen (28.2% increase).

FY2018 Major Second-Half Initiatives

Transitioning to *quality above quantity* through 8K and AIoT

Europe

- Expand TV lineup, featuring **AQUOS 8K**

China

- Chairman Tai to lead the way in the transition to quality above quantity
 - **Higher added value for TVs through 8K and AIoT**
 - Expand product lineup of white goods, etc. in addition to TVs

ASEAN

- Communicate our business strategy, initiate **product promotions**
- Introduce products tailored to **local needs**
- Build strong relationships with governments in each country

Japan

TV

- Introduce new **4K and 8K TVs** in advance of new 4K/8K satellite broadcasting
- Expand AIoT Functionality

Mobile Phones

- Introduce **models using organic EL display** produced domestically by Sharp

White Goods

- Expand lineup of **AIoT home appliances**
- Bolster functionality and options for **device-connected services**

Devices

IoT Electronics Devices

- Leverage our long track record of technology development to capture demand in shift toward **multiple-camera modules** for smartphones

Display

- Leverage unique Sharp IGZO and other technologies to accelerate shift to **medium-size panels** for use in PCs, tablets, automotive displays, etc.

Other

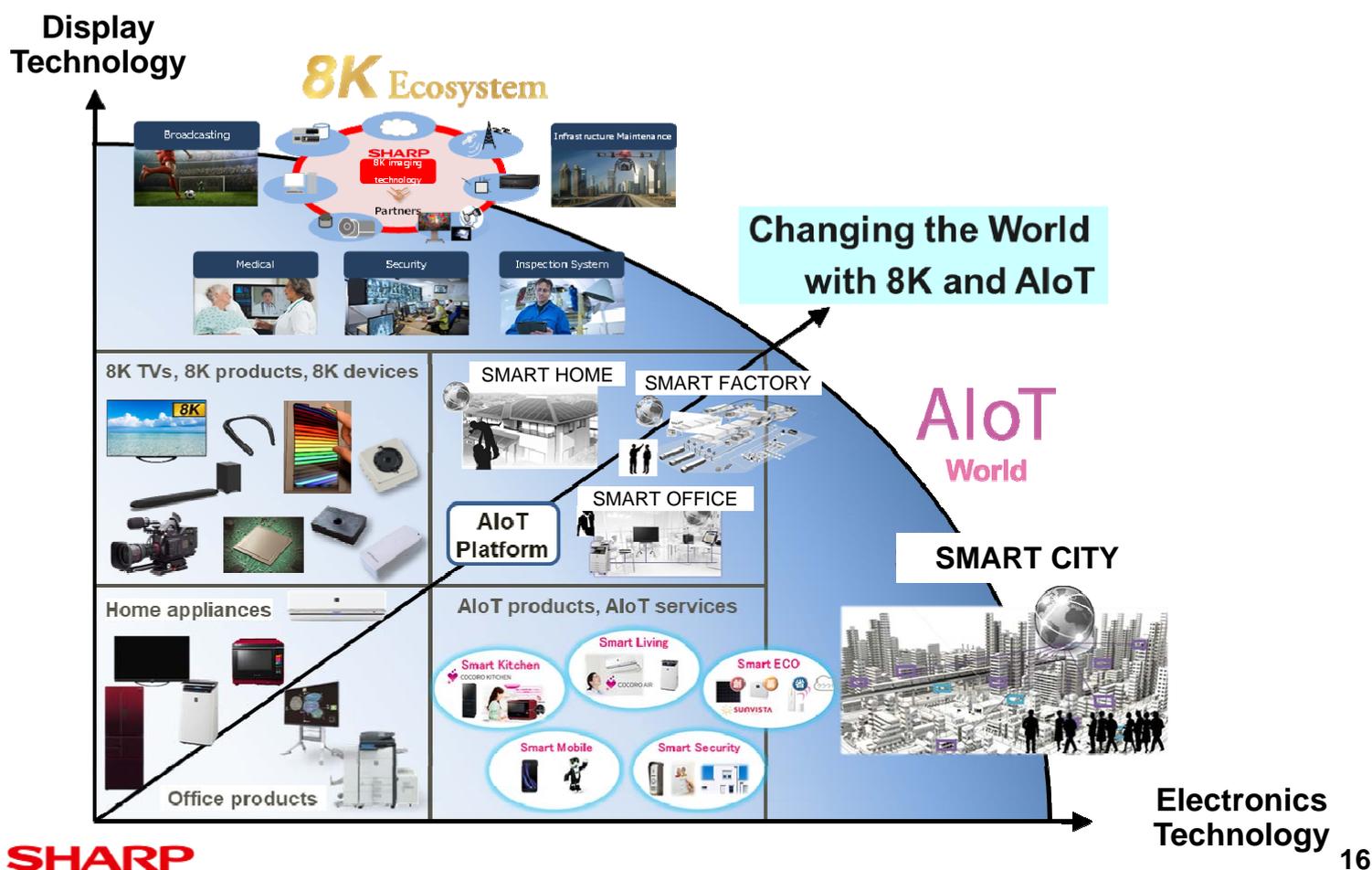
- Convert Dynabook Inc. to a subsidiary; other measures

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- The next slide discusses our major initiatives for the second half, as published in our first half earnings announcement.
- At present, we are moving forward with four measures to secure sustainable growth: create new businesses, expand our business globally, capture external resources through M&A and alliances, and strengthen our competitive position. We will continue to pursue a variety of initiatives reflecting these policies during the second half of the fiscal year.
- During the third quarter, we introduced new 4K8K-compatible TVs, organic EL smartphones, and an expanded lineup of home appliances with built-in AIoT functions, including plasma cluster washing machine/dryers compatible with our COCORO WASH AIoT cloud service in Japan. Overseas, we held events in China, Malaysia, Vietnam, Singapore, and other countries to announce new products, engaging actively in explaining our business strategies and conducting product promotions. Further, we consolidated Dynabook Inc. on schedule according to plan. In addition to these activities, we responded to fluctuations in customer demand, leveraging our strengths to secure camera module sales outperforming the second quarter. We also continued our shift toward medium-size displays.
- These initiatives drove third-quarter sales higher compared to the second quarter. Considering customer demand, we do not forecast significant growth in our devices business for the fourth quarter. However, we do forecast quarter-on-quarter growth for the fourth quarter for the company, mainly in our products business, as a result of ongoing initiatives, new initiatives, and seasonal factors.

Direction of Medium- to Long-Term Growth



- Please turn to the next slide.
Last, allow me to explain the direction of our medium- and long-term growth.
- In the past, Sharp focused on product areas such as home appliances and office equipment, as seen at the lower left of this diagram.
- Today, we are also developing a variety of 8K-related equipment and devices, AloT equipment, and services in pursuit of two major strategies: (1) building an 8K Ecosystem and an AloT world and (2) expanding our business globally. Further, we are working to integrate these strategies to create smart homes, smart offices, and smart factories.
- In line with this direction, we will pursue business growth by creating new businesses, expanding our business globally, capturing extra resources through M&A and alliances, and strengthening our competitive position. At the same time, we plan to transition into a company specializing in technology and brand building.
We will Change the World with 8K and AloT, as we have stated in our business vision.

II . Supplementary Data

- As supplementary data, we have provided you with sales and operating profit by segment and other information which you can look over at your leisure.
- In consideration of the business environment, Sharp continues to transition to quality above quantity for future growth.

Our efforts here will not only achieve ongoing growth, but will also strengthen our ability to generate profits and improve our financial condition.

As we announced on October 30 of last year, we purchased and cancelled 92,000 shares of our 200,000 Class A shares outstanding for approximately 85.1 billion yen as of today, January 30, 2019.

These efforts are designed to maximize profits for our shareholders and other stakeholders.

- Thank you for your attention.

Consolidated Financial Results

(Billions of Yen)

	FY2017			FY2018		
	First Half	Second Half	Fiscal Year	First-Half Results	Second-Half Target	Fiscal Year Forecast
Net Sales	1,115.1	1,312.1	2,427.2	1,129.0	1,370.9	2,500.0
Operating Profit	40.5	49.5	90.1	47.0	59.9	107.0
(margin)	(3.6%)	(3.8%)	(3.7%)	(4.2%)	(4.4%)	(4.3%)
Ordinary Profit	41.1	48.1	89.3	43.2	52.7	96.0
(margin)	(3.7%)	(3.7%)	(3.7%)	(3.8%)	(3.9%)	(3.8%)
Profit Attributable to Owners of Parent	34.7	35.4	70.2	40.9	49.0	90.0
(margin)	(3.1%)	(2.7%)	(2.9%)	(3.6%)	(3.6%)	(3.6%)

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Consolidated Quarterly Financial Results

(Billions of Yen)

	FY2017				FY2018		
	1Q	2Q	3Q	4Q	1Q	2Q	3Q
Net Sales	506.4	608.7	714.2	597.8	533.8	595.1	642.5
Operating Profit	17.1	23.4	29.7	19.7	24.8	22.2	21.2
(margin)	(3.4%)	(3.9%)	(4.2%)	(3.3%)	(4.6%)	(3.7%)	(3.3%)
Ordinary Profit	17.1	23.9	29.9	18.2	21.2	21.9	18.8
(margin)	(3.4%)	(3.9%)	(4.2%)	(3.0%)	(4.0%)	(3.7%)	(2.9%)
Profit Attributable to Owners of Parent	14.4	20.2	20.6	14.8	19.2	21.7	22.1
(margin)	(2.9%)	(3.3%)	(2.9%)	(2.5%)	(3.6%)	(3.7%)	(3.4%)

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Sales by Segment

	(Billions of Yen)			
	FY2017			FY2018
	First Half	Second Half	Fiscal Year	First Half
Smart Homes	290.6	317.3	607.9	300.6
Smart Business Solutions	154.4	163.6	318.0	158.4
IoT Electronics Devices	200.4	304.0	504.5	250.8
Advance Display Systems	521.6	564.9	1,086.5	458.2
Subtotal	1,167.2	1,349.9	2,517.2	1,168.1
Adjustments	-52.0	-37.8	-89.9	-39.1
Total	1,115.1	1,312.1	2,427.2	1,129.0

*Sales include inter-segment sales and transfers.

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Operating Profit by Segment

	(Billions of Yen)			
	FY2017			FY2018
	First Half	Second Half	Fiscal Year	First Half
Smart Homes	20.4 (7.0%)	23.2 (7.3%)	43.7 (7.2%)	23.3 (7.8%)
Smart Business Solutions	9.7 (6.3%)	12.2 (7.5%)	21.9 (6.9%)	9.0 (5.7%)
IoT Electronics Devices	2.7 (1.4%)	0.5 (0.2%)	3.3 (0.7%)	0.2 (0.1%)
Advance Display Systems	16.3 (3.1%)	20.6 (3.7%)	37.0 (3.4%)	19.0 (4.1%)
Subtotal	49.3 (4.2%)	56.7 (4.2%)	106.0 (4.2%)	51.6 (4.4%)
Adjustments	-8.7	-7.1	-15.9	-4.6
Total	40.5 (3.6%)	49.5 (3.8%)	90.1 (3.7%)	47.0 (4.2%)

*Figures within parentheses indicate operating margin.

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Quarterly Sales by Segment

	(Billions of Yen)						
	FY2017				FY2018		
	1Q	2Q	3Q	4Q	1Q	2Q	3Q
Smart Homes	130.2	160.4	148.9	168.3	150.5	150.0	178.6
Smart Business Solutions	70.3	84.0	77.3	86.2	76.5	81.9	79.2
IoT Electronics Devices	85.0	115.4	192.2	111.8	113.3	137.4	137.7
Advance Display Systems	249.6	271.9	314.6	250.2	211.1	247.1	267.2
Subtotal	535.3	631.9	733.2	616.7	551.5	616.6	662.8
Adjustments	-28.8	-23.1	-18.9	-18.9	-17.6	-21.4	-20.3
Total	506.4	608.7	714.2	597.8	533.8	595.1	642.5

*Sales include inter-segment sales and transfers.

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Quarterly Operating Profit by Segment

	(Billions of Yen)						
	FY2017				FY2018		
	1Q	2Q	3Q	4Q	1Q	2Q	3Q
Smart Homes	9.9 (7.6%)	10.5 (6.6%)	10.6 (7.2%)	12.5 (7.5%)	11.8 (7.9%)	11.4 (7.6%)	10.8 (6.1%)
Smart Business Solutions	3.8 (5.4%)	5.9 (7.0%)	4.1 (5.3%)	8.1 (9.4%)	3.9 (5.2%)	5.0 (6.1%)	5.9 (7.5%)
IoT Electronics Devices	0.9 (1.1%)	1.8 (1.6%)	4.6 (2.4%)	-4.0 (-3.7%)	0.6 (0.6%)	-0.3 (-0.3%)	2.5 (1.8%)
Advance Display Systems	6.7 (2.7%)	9.6 (3.5%)	13.1 (4.2%)	7.4 (3.0%)	10.5 (5.0%)	8.4 (3.4%)	7.8 (2.9%)
Subtotal	21.4 (4.0%)	27.8 (4.4%)	32.6 (4.4%)	24.0 (3.9%)	27.0 (4.9%)	24.5 (4.0%)	27.2 (4.1%)
Adjustments	-4.3	-4.4	-2.8	-4.3	-2.2	-2.3	-5.9
Total	17.1 (3.4%)	23.4 (3.9%)	29.7 (4.2%)	19.7 (3.3%)	24.8 (4.6%)	22.2 (3.7%)	21.2 (3.3%)

*Figures within parentheses indicate operating margin.

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Capital Investment / Depreciation and Amortization

(Billions of Yen)

	FY2017			FY2018		
	First Half	Second Half	Fiscal Year	First Half	Second-Half Target	Fiscal Year Forecast
Capital Investment	73.2	46.1	119.3	27.8	72.2	100.0
Displays	16.7	18.7	35.5	9.2	30.8	40.0
Depreciation and Amortization	28.8	39.6	68.4	34.5	45.5	80.0
R&D Expenditures	50.2	50.2	100.5	53.8	56.2	110.0

(Yen)

Avg. Exchange Rate	FY2017			FY2018	
	First Half	Second Half	Fiscal Year	First Half	Second Half Forecast
US Dollar	110.07	109.64	109.86	109.27	105.00
Euro	124.79	131.62	128.20	128.34	128.00

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Quarterly Capital Investment and Depreciation, etc.

(Billions of Yen)

	FY2017				FY2018		
	1Q	2Q	3Q	4Q	1Q	2Q	3Q
Capital Investment	18.8	54.4	33.7	12.3	11.3	16.4	14.7
Displays	3.2	13.5	11.0	7.7	4.4	4.7	8.3
Depreciation and Amortization	14.1	14.6	19.4	20.1	17.1	17.3	18.9
R&D Expenditures	28.7	21.5	30.8	19.3	30.4	23.3	32.0

(Yen)

Avg. Exchange Rate	FY2017				FY2018		
	1Q	2Q	3Q	4Q	1Q	2Q	3Q
US Dollar	110.10	110.04	111.98	107.30	108.07	110.46	111.90
Euro	120.69	128.88	131.51	131.73	128.56	128.12	127.28

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Be Original.

