

# Consolidated Financial Results for the First Quarter, Fiscal 2019

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## I . Consolidated Financial Results for the First Quarter, Fiscal 2019

## II . Supplementary Data

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**SHARP CORPORATION**

**August 1, 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 First Quarter, Fiscal 2019

## Consolidated Financial Results for the First Quarter, Fiscal 2019 (1)

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- Despite a continued challenging business environment, structural improvements and other factors led to operating margin and profit margin outperforming Q4, with performance recovering from Q4, FY2018
- Sharp recorded an 11<sup>th</sup> consecutive quarter of net profits
- The purchase and cancellation of Class A shares has resulted in steady qualitative improvement in equity

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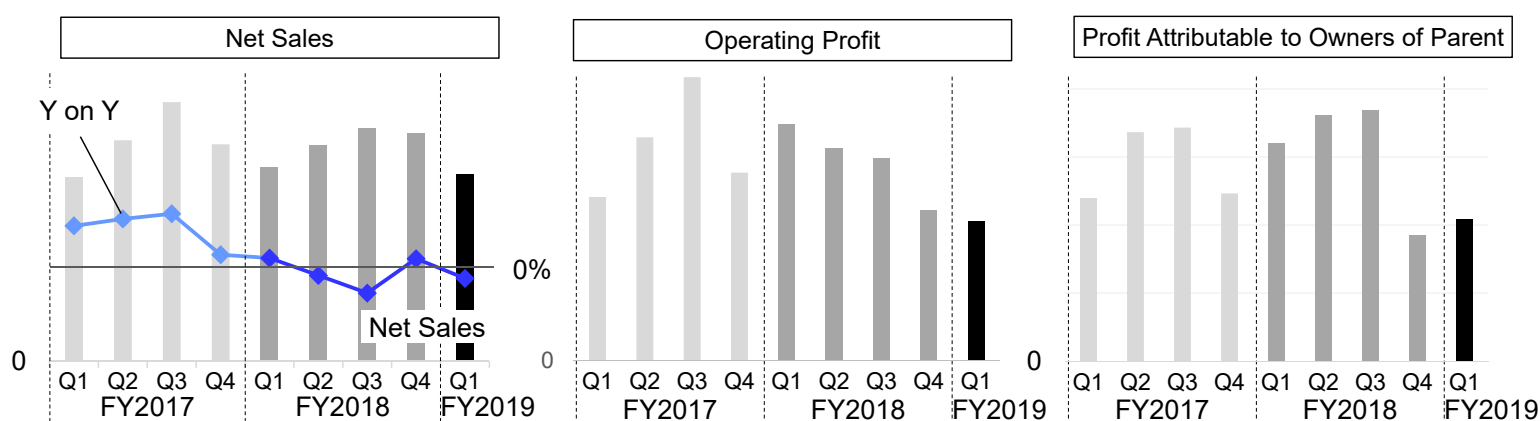
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- First, let's look at our consolidated financial results for Q1, fiscal 2019.
- Despite an ongoing severe business environment, our performance recovered from Q4, fiscal 2018, including operating profit margin and profit margin, which both outperformed Q4, fiscal 2018.
- On a quarterly basis, we have delivered 11 consecutive quarters of net profits since Q3, fiscal 2016.
- In addition, we have steadily improved our equity qualitatively, including the June 21 completion of the purchase and cancellation of all Class A shares, which entail dilution risk, preferred dividends, and other considerations.

# Consolidated Financial Results for the First Quarter, Fiscal 2019 (2)

(Billions of Yen)

	FY2018				FY2019	
	Q1	Q2	Q3	Q4	Q1	Y on Y
Net Sales	533.8	595.1	642.5	628.5	514.9	-3.5%
Operating Profit	24.8	22.2	21.2	15.8	14.6	-41.1%
Ordinary Profit	21.2	21.9	18.8	6.9	13.9	-34.5%
Profit Attributable to Owners of Parent	19.2 (3.6%)	21.7 (3.7%)	22.1 (3.4%)	11.1 (1.8%)	12.5 (2.4%)	-34.7%
Avg. Exchange Rate						
USD/JPY	108.07	110.46	111.90	109.21	108.90	
Euro/JPY	128.56	128.12	127.28	123.66	121.99	



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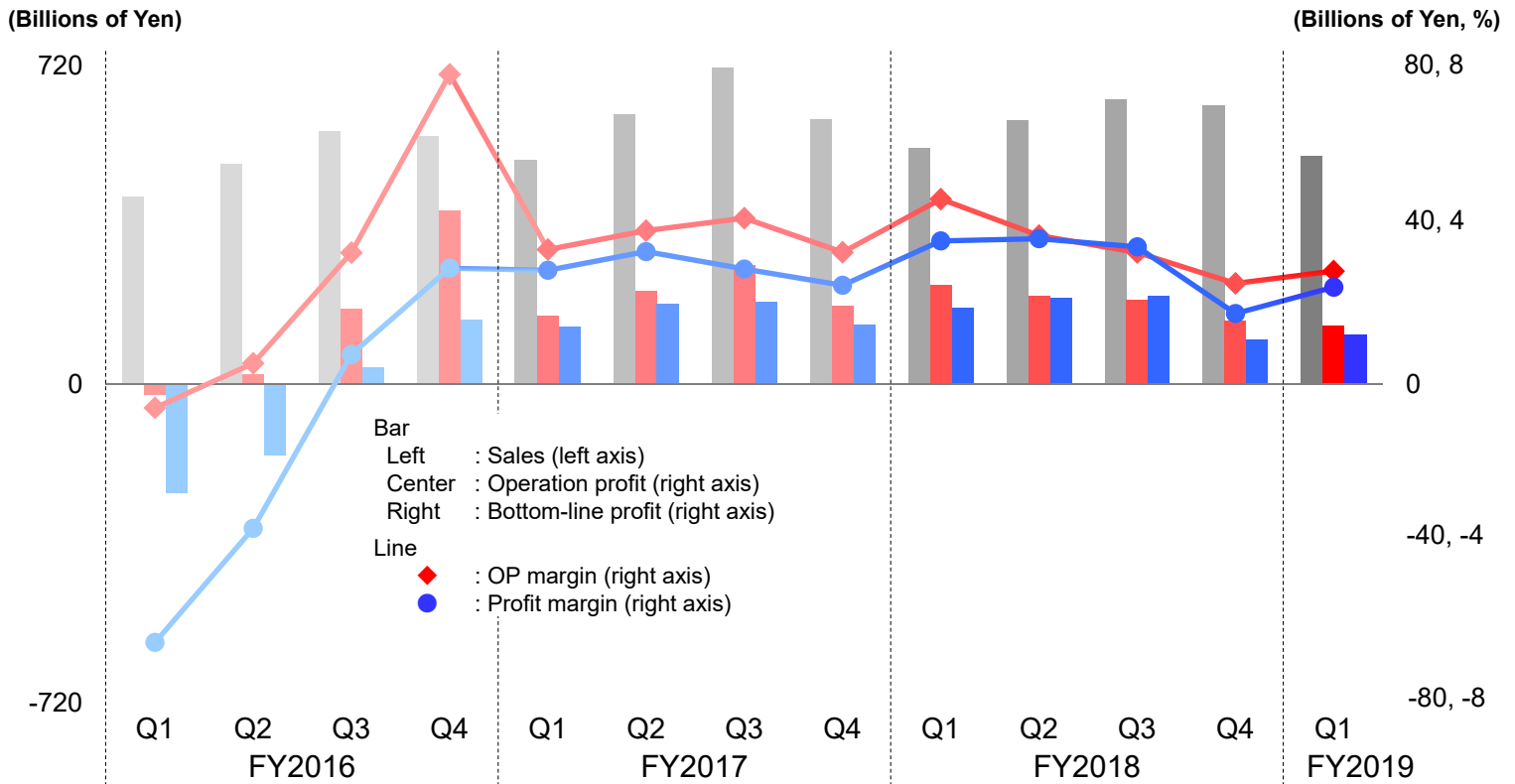
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- The next slide provides highlights of our financial results for Q1, fiscal 2019.
- Net sales amounted to 514.9 billion yen.
- Operating profit amounted to 14.6 billion yen, ordinary profit amounted to 13.9 billion yen, profit attributable to owners of parent amounted to 12.5 billion yen.

We are also progressing in structural improvements, partly responsible for our recording an 11<sup>th</sup> consecutive quarter of net profits.

# Consolidated Financial Results for the First Quarter, Fiscal 2019 (3)

- Performance improvement, rebounding from Q4, FY2018.
- Q1, FY2019 operating margin and profit margin outperformed Q4, even though Q1 net sales were lower than Q4 due to seasonality.

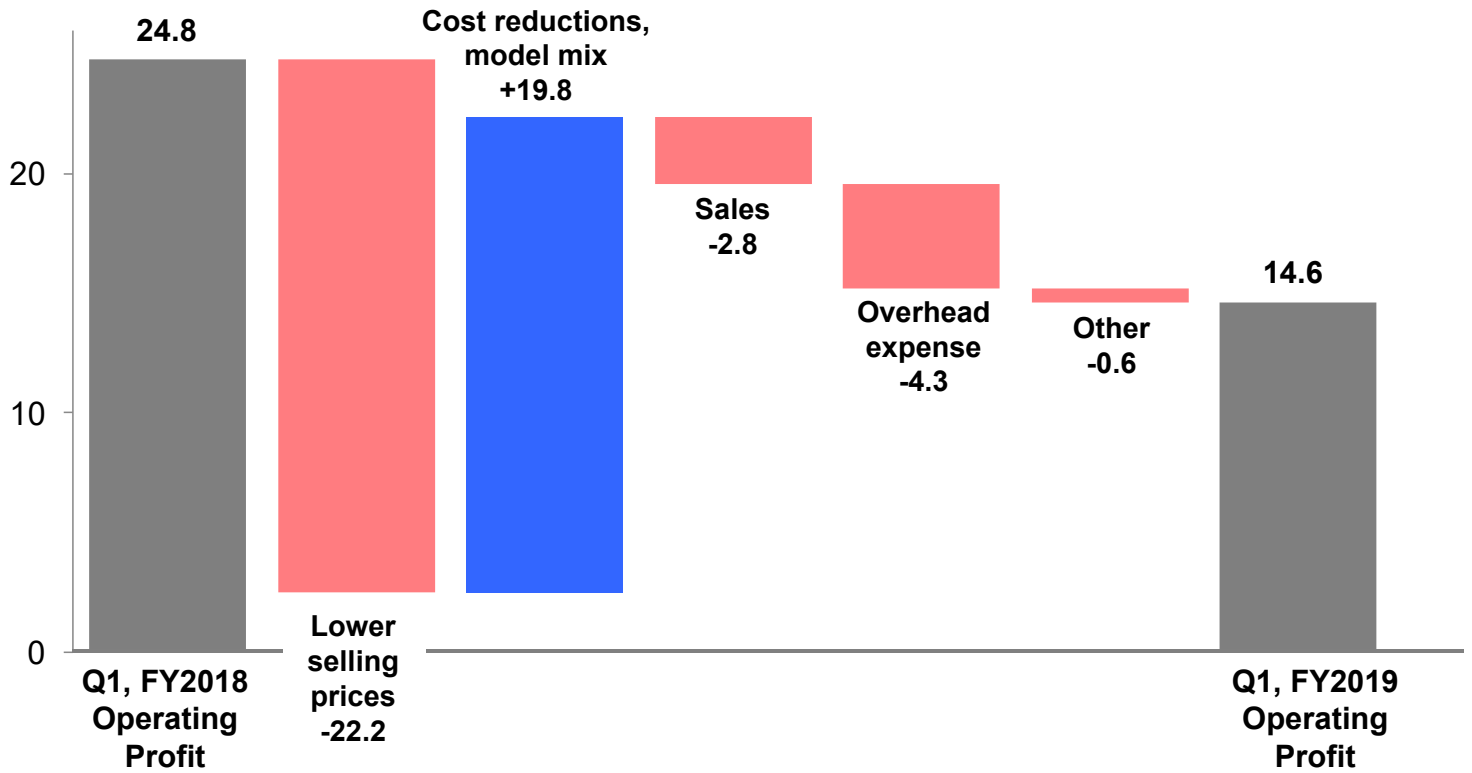


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- The next slide shows financial results by quarter.
- Our performance has improved, recovering from Q4, fiscal 2018.
- Due to seasonality and other factors, net sales underperformed Q4. As you can see, however, both operating profit margin and profit margin for Q1, fiscal 2019 were higher than Q4.

# Operating Profit Analysis : Y on Y Change Factors for the First Quarter, Fiscal 2019

(Billions of Yen)



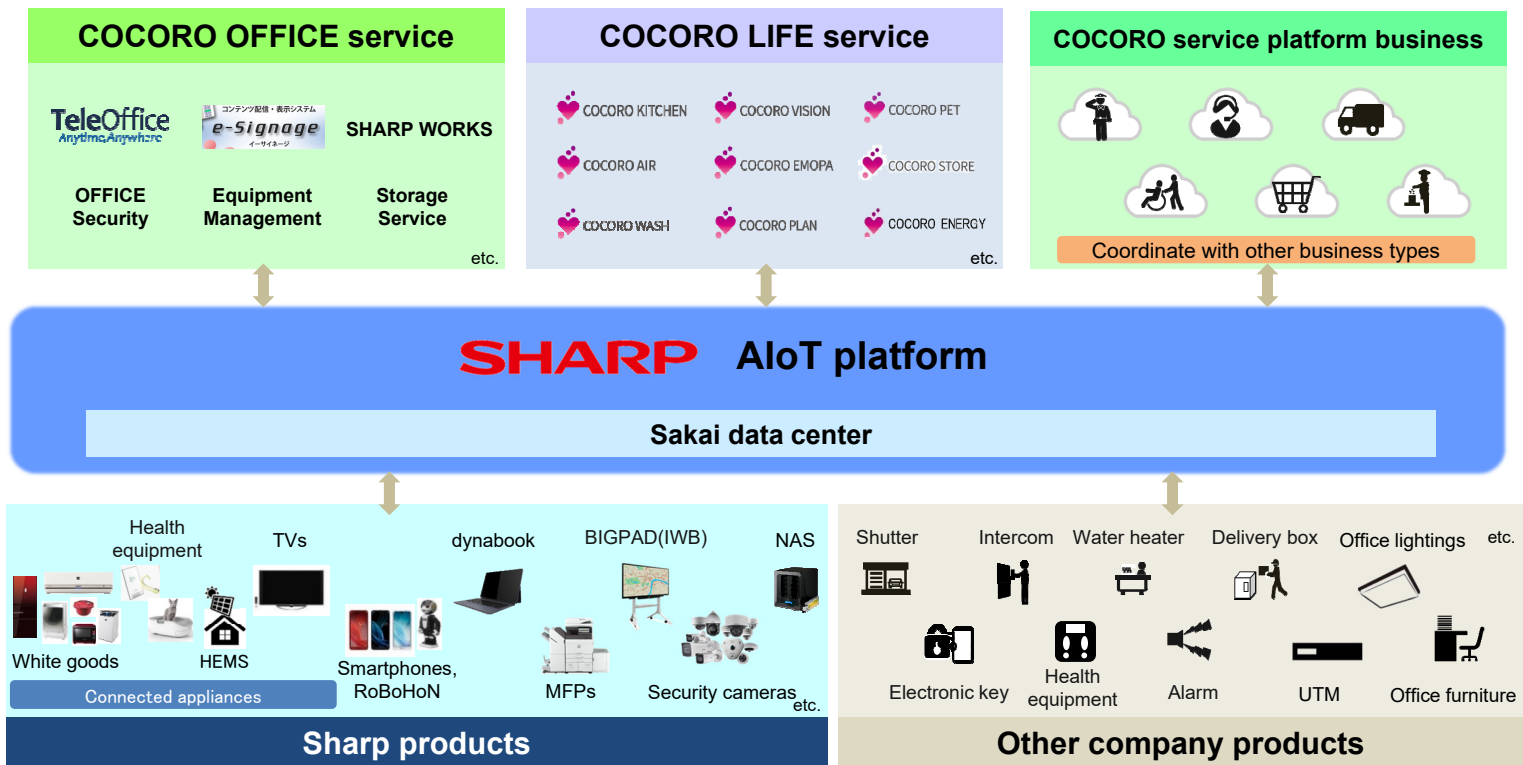
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5

- The next graph shows our analysis of year-on-year changes in operating profit.
- Notable change factors included
  - a 22.2 billion yen decrease due to lower selling prices,
  - a 19.8 billion yen improvement due to cost reductions and model mix,
  - a 2.8 billion yen decrease due to changes in sales performance and
  - a 4.3 billion yen decrease due to overhead expense increase.

# Initiatives for Business Reform

Leverage the Sharp AIoT platform to work with other companies, accelerating the creation of smart life services and smart office services



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- Please look at the next slide.  
Before we look at segment information, I want to explain our business reform initiatives.
- This slide shows our initiatives for AIoT World, one of our business visions. Here, we will be engaged in growing four business fields, consisting of AIoT devices business, COCORO LIFE service business, COCORO OFFICE service business, and AIoT platform business.
- Our AIoT devices business is adding compatible devices that serve not just as tools, but connect to other services, offering products that act as lifestyle partners.  
  
Beyond providing services for devices, our COCORO LIFE service business also combines the concept of providing devices for services, fostering a smart life through feature-rich services that leverage AIoT technologies.  
  
The Sharp COCORO OFFICE service business provides services tailored to customers in the B2B and B2G models, facilitating smart offices.  
  
Further, Sharp has opened our AIoT platform to device manufacturers and services companies. Here, we will help create win-win scenarios with other companies around our AIoT platform, creating an upward spiral that grows the AIoT market.

# Reorganize to Achieve Business Reform

Engaging in business reinvention as One SHARP through three business groups, striving to create an *8K+5G Ecosystem* and an *AIoT World*

Smart Life	8K Ecosystem	ICT
<p><b><u>(1) HE business integration</u></b></p> <ul style="list-style-type: none"><li>Integrate domestic and overseas HE business to strengthen coordination between operations.</li></ul> <p><b><u>(2) Establish dedicated organization for B2B business under HE</u></b></p> <ul style="list-style-type: none"><li>Establish dedicated organization to expand B2B business.</li></ul>	<p><b><u>(1) Revise system for executing 8K+5G Ecosystem strategy</u></b></p> <ul style="list-style-type: none"><li>Reorganize to accelerate 8K+5G Ecosystem strategy.</li></ul> <p><b><u>(2) Restructure system for COCORO OFFICE service business expansion</u></b></p> <ul style="list-style-type: none"><li>Restructure project system between Business Solutions BU and domestic/overseas sales affiliates</li></ul>	<p><b><u>(1) Create new COCORO Plus preparatory office</u></b></p> <ul style="list-style-type: none"><li>New organization established looking toward a future spin-off of the AIoT technology-based COCORO LIFE service business</li></ul> <p><b><u>(2) Structural revision for IoT BU</u></b></p> <ul style="list-style-type: none"><li>Reorganize structure looking toward a future spin-off to accelerate work with other companies using the Sharp AIoT platform.</li></ul>

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7

• Next, allow me to explain how we are reorganizing to achieve this business reform.

• Under Smart Life, we are integrating our domestic and overseas HE business to accelerate global expansion of our AIoT devices and services. Further, we are placing a dedicated organization under HE to expand our B2B business here.

Under 8K Ecosystem, we are reorganizing to further strengthen our 8K+5G Ecosystem strategy.

In addition, we are structuring our project system between Business Solutions BU and a domestic/overseas sales affiliates toward growing our COCORO OFFICE service business.

Under ICT, Sharp will establish a COCORO Plus preparatory office looking toward a future spin-off of the AIoT technology-based COCORO LIFE service business. In addition, we are reorganizing our structure looking toward a future spin-off to accelerate our work with other companies built on our AIoT platform.

• Moving forward, we intend to link each of these three business groups, acting as One SHARP to drive business reform. The result of our efforts will create further growth for Sharp and create an 8K+5G Ecosystem and an AIoT World.



# Overview of New Business Segments

Transition to three business segments beginning Q1, FY2019

Business group	<b>Smart Life</b> <b>Katsuaki Nomura</b> Executive Vice President	<b>8K Ecosystem</b> <b>J.W. Tai</b> Chairman President & CEO	<b>ICT</b> <b>Yoshihisa Ishida</b> Executive Vice President
Business / company	<ul style="list-style-type: none"> <li>• Health and environment systems</li> <li>• Camera modules</li> <li>• Sharp Energy Solutions Corporation</li> <li>• Sharp Fukuyama Semiconductor Co., Ltd.</li> </ul>	<ul style="list-style-type: none"> <li>• TV systems</li> <li>• Business solutions</li> <li>• Display devices</li> <li>• Corporate research &amp; development</li> </ul>	<ul style="list-style-type: none"> <li>• Mobile communications</li> <li>• AIoT</li> <li>• COCORO LIFE services</li> <li>• Dynabook Inc.</li> </ul>

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8

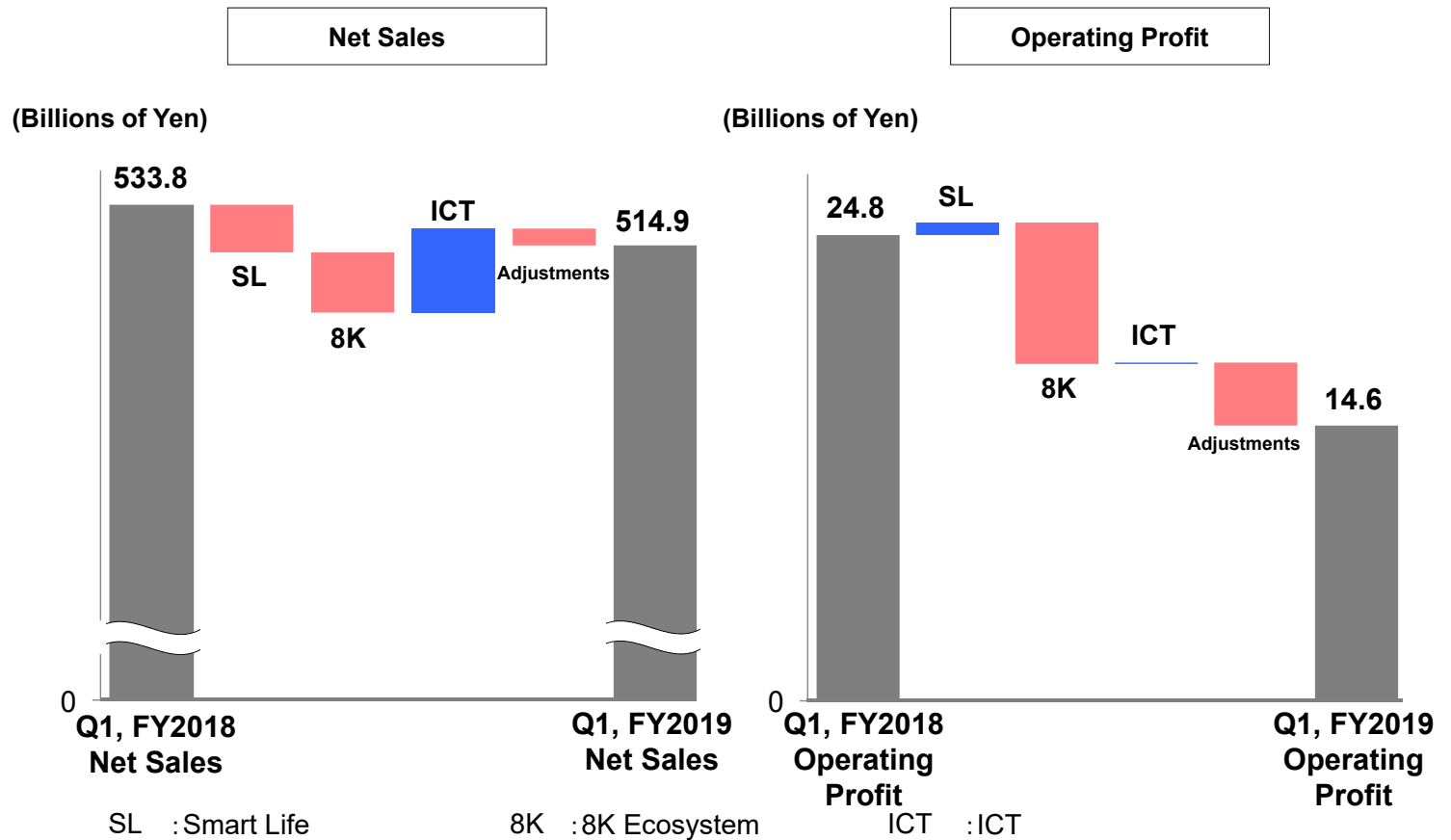
- Please look at the next slide. This slide provides an overview of our new business segments.
- As we just discussed, Sharp shifted to a three business group structure in Q1, fiscal 2019.

Our Smart Life business group includes HE, camera modules, Sharp Energy Solutions Corporation, and Sharp Fukuyama Semiconductor.

The 8K Ecosystem group includes TV systems, business solutions, display devices, and corporate research and development.

Our ICT group includes mobile communications, AIoT, COCORO LIFE services, and Dynabook Inc.

# Sales and Operating Profit Analysis: Y on Y Change by Segment for the First Quarter, Fiscal 2019

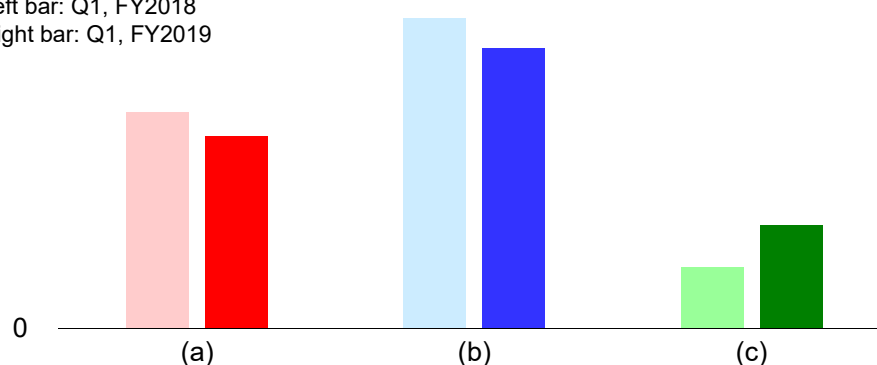


- The next graphs provide a year-on-year change analysis for net sales and operating profit.
  - While ICT sales rose, sales for Smart Life and 8K Ecosystem were lower, mainly due to fluctuations in demand from device customers and changes in the competitive environment.
- 8K Ecosystem profits were lower due to lower sales. However, both ICT profit (due to increased sales) and Smart Life profit (cost reductions compensating for the impact of sales declines) were higher.

# Sales by Segment

	FY2018				FY2019	
	Q1	Q2	Q3	Q4	Q1	Y on Y
	(a) Smart Life	203.1	235.3	233.1	224.9	180.6
(b) 8K Ecosystem	291.1	337.6	350.4	334.2	262.5	-9.8%
(c) ICT	56.9	43.5	78.2	104.1	96.5	+69.5%
Subtotal	551.3	616.4	661.8	663.4	539.8	-2.1%
Adjustments	-17.4	-21.3	-19.3	-34.8	-24.8	-
Total	533.8	595.1	642.5	628.5	514.9	-3.5%

Left bar: Q1, FY2018  
Right bar: Q1, FY2019



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\*Sales include inter-segment sales and transfers.

10

- This next slide shows sales by segment.

- The Smart Life segment recorded sales of 180.6 billion yen, decrease 11.1% year on year.

While sales of health and environment devices such as air conditioners, refrigerators, and washing machines rose in Japan and overseas, sales of camera modules and sensor modules, etc. decreased.

- Our 8K Ecosystem segment recorded sales of 262.5 billion yen, 9.8% decrease year on year.

Sales of panels for PCs and tablets rose, while sales of panels for smartphones decreased. Sales of TVs to China and other regions were lower year on year, while panels for automobiles were impacted by fluctuations in customer demand.

- The ICT segment reported year-on-year growth of 69.5%, recording sales of 96.5 billion yen.

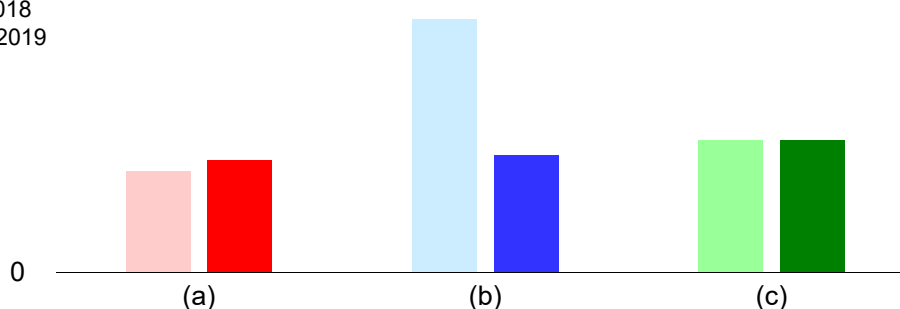
Mobile communications business sales were lower year on year, mainly due to the impact of differences in the timing of new product introductions and changes in carrier fee systems. However, the Dynabook Inc. consolidation resulted in significant growth overall.

# Operating Profit by Segment

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

	FY2018				FY2019	
	Q1	Q2	Q3	Q4	Q1	Y on Y
(a) Smart Life	5.6 (2.8%)	8.9 (3.8%)	11.1 (4.8%)	5.1 (2.3%)	6.2 (3.5%)	+11.4%
(b) 8K Ecosystem	14.1 (4.9%)	13.1 (3.9%)	13.2 (3.8%)	6.8 (2.1%)	6.5 (2.5%)	-53.6%
(c) ICT	7.3 (12.9%)	2.3 (5.5%)	2.8 (3.7%)	8.7 (8.4%)	7.3 (7.6%)	+0.1%
Subtotal	27.0 (4.9%)	24.5 (4.0%)	27.2 (4.1%)	20.8 (3.1%)	20.1 (3.7%)	-25.6%
Adjustments	-2.2	-2.3	-5.9	-4.9	-5.5	-
Total	24.8 (4.6%)	22.2 (3.7%)	21.2 (3.3%)	15.8 (2.5%)	14.6 (2.8%)	-41.1%

Left bar: Q1, FY2018  
Right bar: Q1, FY2019



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11

- Let's turn to the next slide, which shows operating profit by segment. Each segment reported operating profits.
- Smart Life segment operating profit amounted to 6.2 billion yen, a 11.4% increase year on year.  
Health and environment device sales were strong, cost reduction measures also made a positive contribution.
- 8K Ecosystem segment operating profit amounted to 6.5 billion yen, a 53.6% decrease year on year.  
Despite demand fluctuations among customers and changes in the competitive environment, cost reduction measures resulted in maintaining a net profit.
- ICT segment operating profit amounted to 7.3 billion yen, a 0.1% increase year on year.  
Despite the impact of lower mobile communications business sales, ongoing net profit at Dynabook and other factors resulted in higher overall profit.

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

(Billions of Yen)

	FY2018				FY2019	
	Q1	Q2	Q3	Q4	Q1	Difference (Y on Y)
<b>Operating Profit</b>	<b>24.8</b>	<b>22.2</b>	<b>21.2</b>	<b>15.8</b>	<b>14.6</b>	-10.2
<b>Non-operating Income (Expenses)</b>	<b>-3.5</b>	<b>-0.2</b>	<b>-2.4</b>	<b>-8.8</b>	<b>-0.6</b>	+2.9
Interest expense	-1.1	-1.0	-1.1	-1.0	-1.2	-0.1
Foreign exchange gain (loss)	-4.6	+0.9	-0.7	-1.3	+0.1	+4.7
Share of profit (loss) of entities accounted for using equity method	-2.3	-0.9	-1.9	-4.1	-0.9	+1.4
<b>Ordinary Profit</b>	<b>21.2</b>	<b>21.9</b>	<b>18.8</b>	<b>6.9</b>	<b>13.9</b>	-7.3
<b>Extraordinary Income (Losses)</b>	<b>+0.8</b>	<b>+0.5</b>	<b>+6.5</b>	<b>-1.3</b>	<b>+0.0</b>	-0.8
<b>Pretax Income</b>	<b>22.1</b>	<b>22.4</b>	<b>25.3</b>	<b>5.6</b>	<b>13.9</b>	-8.2
<b>Income Taxes, etc.</b>	<b>-2.9</b>	<b>-0.6</b>	<b>-3.2</b>	<b>+5.4</b>	<b>-1.4</b>	+1.5
<b>Profit Attributable to Owners of Parent</b>	<b>19.2</b>	<b>21.7</b>	<b>22.1</b>	<b>11.1</b>	<b>12.5</b>	-6.7

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12

- The next slide addresses non-operating income, extraordinary income, and income taxes.
- As you can see, Sharp did not record any significant non-operating income/expenses or extraordinary income/losses for Q1, fiscal 2019.

# Consolidated Balance Sheets

• We used cash on hand to purchase and cancel Class A shares

(January 30, 2019: 92,000 shares for approximately 85.1 billion yen June 21, 2019: 108,000 shares for approximately 97.0 billion yen)

• Excluding this transaction, cash and net assets improved compared to Dec. 31, 2018, prior to the transaction.

	FY2018		FY2019		FY2018		FY2019
	End of Dec.	End of Mar.	End of Jun.		End of Dec.	End of Mar.	End of Jun.
Cash and deposits	295.7	266.6	238.4	Notes and accounts payable - trade	467.4	410.3	379.2
Notes and accounts receivable - trade	540.6	539.9	497.1	Short-term loans payable	68.3	81.4	205.9
Inventories	278.3	243.8	271.9	Current portion of bonds payable	40.0	30.0	30.0
Other current assets	105.2	90.9	110.3	Other current liabilities	269.1	291.3	288.6
<b>Current Assets</b>	<b>1,220.0</b>	<b>1,141.3</b>	<b>1,117.9</b>	<b>Current Liabilities</b>	<b>844.9</b>	<b>813.1</b>	<b>903.9</b>
Property, plant and equipment	419.9	405.0	405.8	Bonds payable	0.0	0.0	0.0
Intangible assets	43.9	39.6	39.3	Long-term loans payable	528.6	538.2	537.7
Investments and other assets	278.8	280.2	283.3	Other non-current liabilities	144.3	142.5	137.3
<b>Non-current Assets</b>	<b>742.6</b>	<b>724.9</b>	<b>728.5</b>	<b>Non-current Liabilities</b>	<b>673.0</b>	<b>680.7</b>	<b>675.1</b>
<b>Deferred Assets</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>Net Assets</b>	<b>444.6</b>	<b>372.4</b>	<b>267.3</b>
<b>Total Assets</b>	<b>1,962.6</b>	<b>1,866.3</b>	<b>1,846.4</b>	<b>Total Liabilities and Net Assets</b>	<b>1,962.6</b>	<b>1,866.3</b>	<b>1,846.4</b>
Exchange Rate, End of Period				Equity Ratio	21.6%	18.8%	13.5%
USD/JPY	109.91	110.01	106.75	Equity	423.2	350.6	248.7
Euro/JPY	125.38	123.06	120.96				

(vs. Dec. 2018)  
Acquisition of Class A shares -182.1  
Other +124.8

(vs. Dec. 2018)  
Acquisition of Class A shares -182.1  
Other +4.8

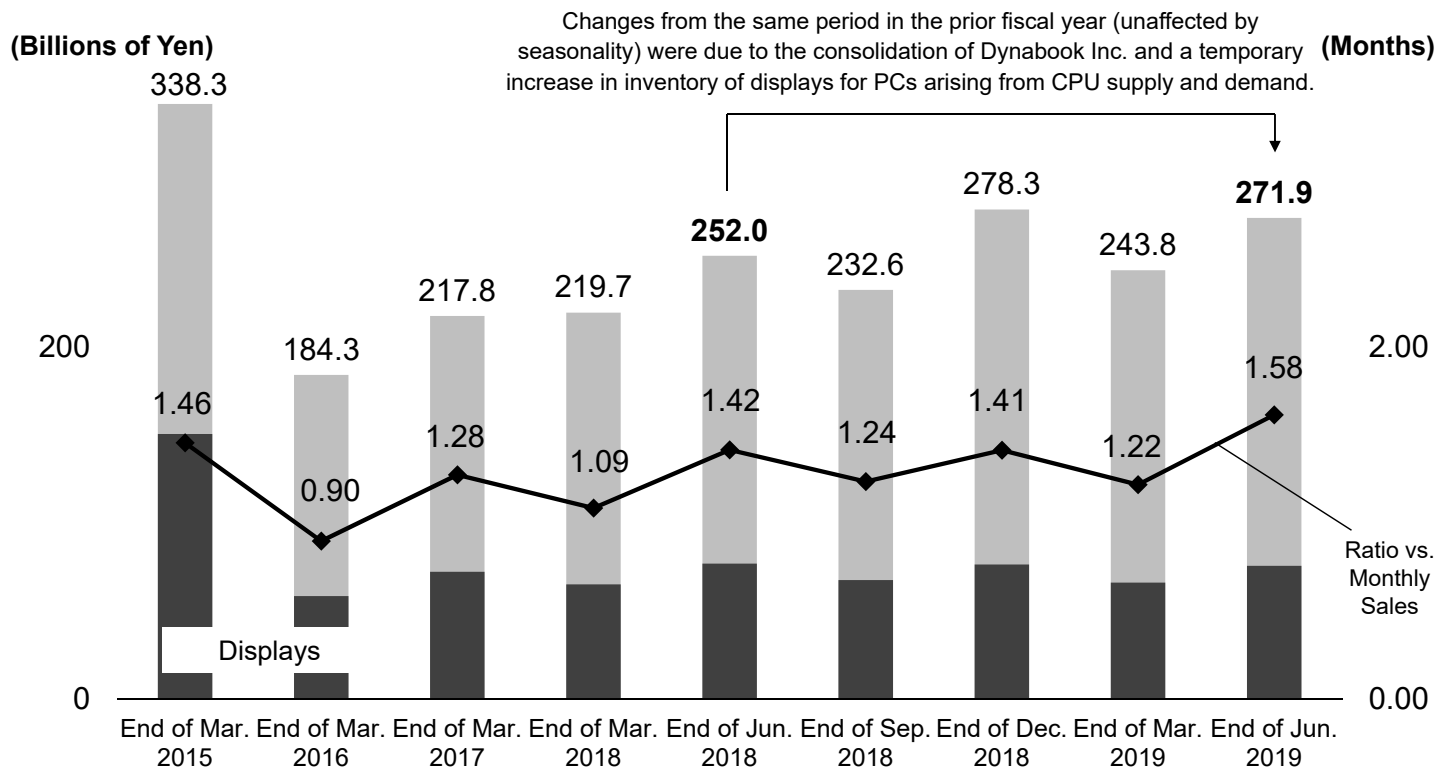
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- The next slide provides information about our balance sheets.
- On January 30 and June 21, 2019, Sharp used cash on hand in the approximate amounts of 85.1 billion yen and 97.0 billion yen to purchase and cancel all 200,000 Class A shares.
- In addition, Sharp paid dividends, resulting in cash and deposits of 238.4 billion yen, net assets of 267.3 billion yen, and equity ratio of 13.5% as of June 30, 2019. These balances were lower compared to balances as of March 31, 2019.
- Owing in part to a steady accumulation of profits, and after excluding the special factor of the purchase and cancellation of Class A shares, cash and deposits and net assets improved compared to balances as of December 31, 2018, prior to the transaction.

# Inventory Trends

• Inventory amounted to 271.9 billion yen, compared to a balance of 243.8 billion yen as of Mar. 31, 2019.

• We will continue to maintain appropriate levels of inventory in response to our sales plans



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14

- The next slide discusses our inventory trends.
- Inventory at the end of the Q1 amounted to 271.9 billion yen, compared to 243.8 billion yen at the end of fiscal 2018. Our ratio of inventory to monthly sales was 1.58 months, compared to 1.22 months at the end of fiscal 2018.

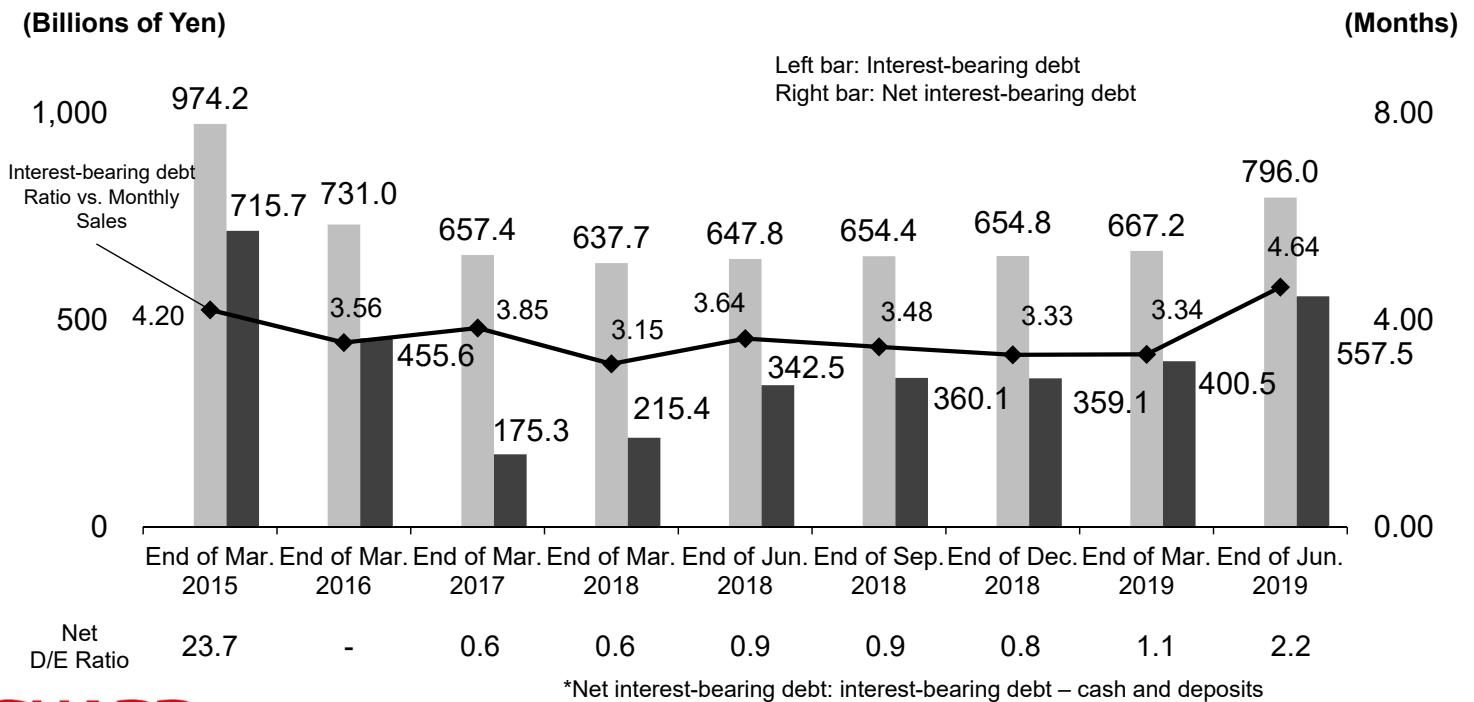
An extremely tight balance between supply and demand for PC CPUs resulted in customer demand fluctuations, leading to a temporary inventory increase in displays for PCs.

In addition, despite seasonal factors (securing product for new product sales in Q2 and later, etc.), we have maintained appropriate inventory levels considering sales forecasts and other factors.

- We expect the future business environment will continue to be highly unpredictable. We will keep a close watch on demand trends and sales risks, striving to maintain appropriate inventory levels.

# Interest-Bearing Debt Trends

- We used commitment lines as funds for growth investments. Accordingly, interest-bearing debt as of Jun. 30, 2019 amounted to 796.0 billion yen and interest-bearing debt vs. monthly sales increased to 4.64 months.
- Net interest-bearing debt\* amounted to 557.5 billion yen, compared to 400.5 billion yen as of Mar. 31, 2019. This result was mainly due to a decrease in cash and deposits associated with the purchase of Class A shares and the payment of dividends.



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15

- Next, let's take a look at interest-bearing debt.
- Interest-bearing debt for Q1, fiscal 2019 was 796.0 billion yen, compared to 667.2 billion yen as of the end of fiscal 2018. This change was mainly due to our using a commitment line to secure funds for growth investments.

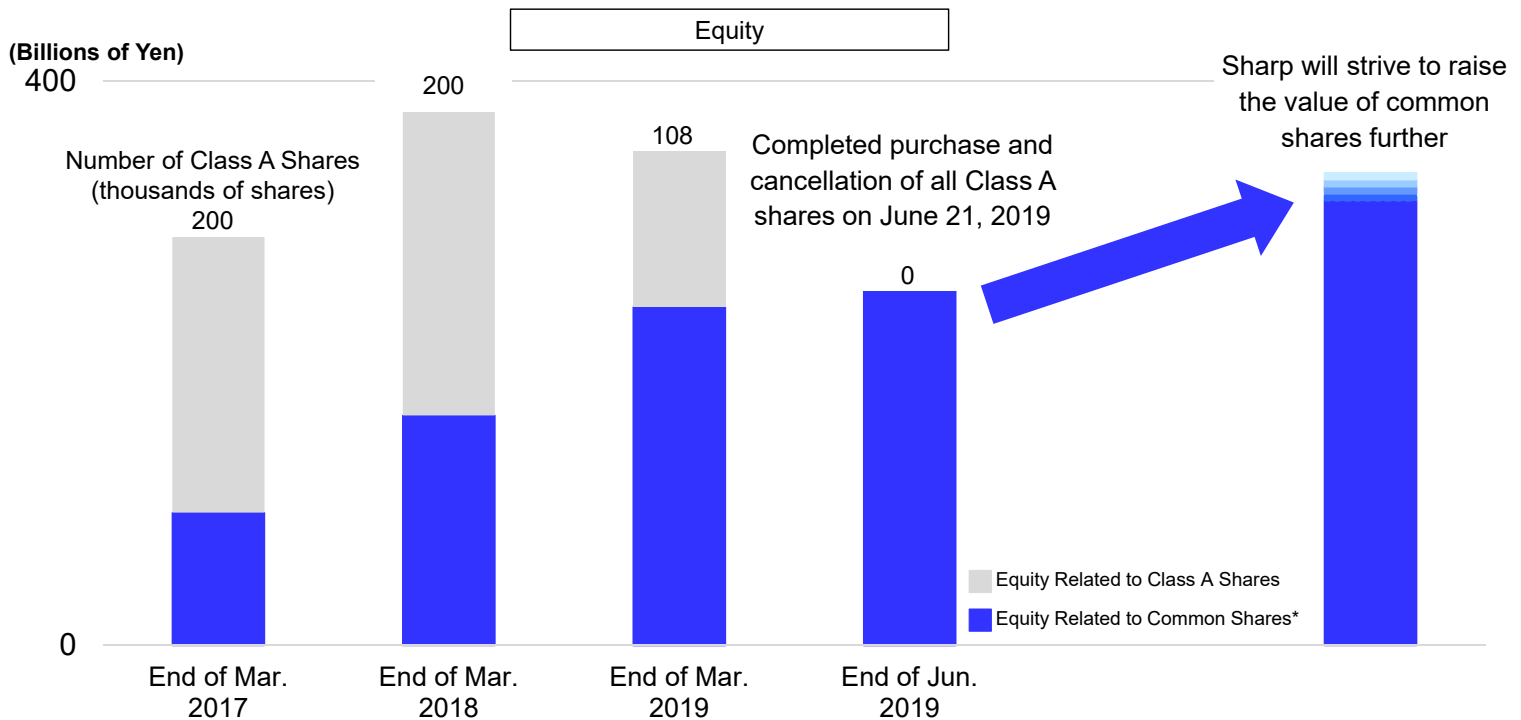
Net interest-bearing debt amounted to 557.5 billion yen, compared to 400.5 billion yen at the end of fiscal 2018. One major factor in this result was a decrease in cash and deposits associated with the purchase of Class A shares and payment of dividends.

- We will continue to optimize inventories and invest more efficiently in equipment to improve cash flows.



# Capital Policy

- Sharp completed the purchase and cancellation of Class A shares, which entail dilution risk, preferred dividends, and other considerations, improving equity qualitatively
- Sharp has continued recording final profits since Q3, FY2016, steadily increasing equity related to common stock
- Sharp will continue to generate profits, building equity and otherwise further raising the value of common stock



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\*Common shares include Class C shares, which are equivalent to common shares

16

- The next slide provides information about our capital policy.
- We believe improving equity qualitatively is also an important matter.
- Based on this belief, we used cash on hand to begin the purchase and cancellation of Class A shares, which entail dilution risk, preferred dividends, and other considerations, during fiscal 2018. On June 21, we completed the purchase and cancellation of all Class A shares.
- We have continued to record net profits since Q3, fiscal 2016, steadily increasing equity associated with common stock. We will continue our efforts to improve the value of Sharp stock further, accumulating equity through stable profit generation and other means.

## 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.
- We expect the business environment to continue to be challenging for the time being. However, our performance has recovered since Q4, fiscal 2018.

We will improve our results steadily in Q2 and beyond, while striving to improve our financial condition and the value of our shares.

Further, we aim to be a corporate group worthy of even greater levels of trust, working to maximize the profits of our shareholders and all stakeholders.

- Thank you for your attention.

# Consolidated Financial Results

(Billions of Yen)

	FY2018			FY2019		
	First Half	Second Half	Fiscal Year	First Half Forecast	Second Half Forecast	Fiscal Year Forecast
<b>Net Sales</b>	<b>1,129.0</b>	<b>1,271.0</b>	<b>2,400.0</b>	<b>1,200.0</b>	<b>1,450.0</b>	<b>2,650.0</b>
<b>Operating Profit</b>	<b>47.0</b>	<b>37.1</b>	<b>84.1</b>	<b>44.0</b>	<b>56.0</b>	<b>100.0</b>
(margin)	(4.2%)	(2.9%)	(3.5%)	(3.7%)	(3.9%)	(3.8%)
<b>Ordinary Profit</b>	<b>43.2</b>	<b>25.7</b>	<b>69.0</b>	<b>42.0</b>	<b>53.0</b>	<b>95.0</b>
(margin)	(3.8%)	(2.0%)	(2.9%)	(3.5%)	(3.7%)	(3.6%)
<b>Profit Attributable to Owners of Parent</b>	<b>40.9</b>	<b>33.2</b>	<b>74.2</b>	<b>37.0</b>	<b>43.0</b>	<b>80.0</b>
(margin)	(3.6%)	(2.6%)	(3.1%)	(3.1%)	(3.0%)	(3.0%)

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18

# Consolidated Quarterly Financial Results

(Billions of Yen)

	FY2018				FY2019
	Q1	Q2	Q3	Q4	Q1
<b>Net Sales</b>	<b>533.8</b>	<b>595.1</b>	<b>642.5</b>	<b>628.5</b>	<b>514.9</b>
<b>Operating Profit</b>	<b>24.8</b>	<b>22.2</b>	<b>21.2</b>	<b>15.8</b>	<b>14.6</b>
(margin)	(4.6%)	(3.7%)	(3.3%)	(2.5%)	(2.8%)
<b>Ordinary Profit</b>	<b>21.2</b>	<b>21.9</b>	<b>18.8</b>	<b>6.9</b>	<b>13.9</b>
(margin)	(4.0%)	(3.7%)	(2.9%)	(1.1%)	(2.7%)
<b>Profit Attributable to Owners of Parent</b>	<b>19.2</b>	<b>21.7</b>	<b>22.1</b>	<b>11.1</b>	<b>12.5</b>
(margin)	(3.6%)	(3.7%)	(3.4%)	(1.8%)	(2.4%)

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19

# Sales by Segment

(Billions of Yen)

	FY2018		
	First Half	Second Half	Fiscal Year
Smart Life	438.4	458.1	896.6
8K Ecosystem	628.7	684.7	1,313.5
ICT	100.5	182.3	282.9
<b>Subtotal</b>	<b>1,167.8</b>	<b>1,325.2</b>	<b>2,493.0</b>
<b>Adjustments</b>	<b>-38.7</b>	<b>-54.2</b>	<b>-93.0</b>
<b>Total</b>	<b>1,129.0</b>	<b>1,271.0</b>	<b>2,400.0</b>

\*Sales include inter-segment sales and transfers.

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20

# Operating Profit by Segment

(Billions of Yen)

	FY2018		
	First Half	Second Half	Fiscal Year
Smart Life	14.5 (3.3%)	16.3 (3.6%)	30.9 (3.4%)
8K Ecosystem	27.3 (4.3%)	20.0 (2.9%)	47.3 (3.6%)
ICT	9.7 (9.7%)	11.6 (6.4%)	21.3 (7.6%)
<b>Subtotal</b>	<b>51.6</b> (4.4%)	<b>48.0</b> (3.6%)	<b>99.6</b> (4.0%)
<b>Adjustments</b>	<b>-4.6</b>	<b>-10.9</b>	<b>-15.5</b>
<b>Total</b>	<b>47.0</b> (4.2%)	<b>37.1</b> (2.9%)	<b>84.1</b> (3.5%)

\*Figures within parentheses indicate operating margin.

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21

# Quarterly Sales by Segment

(Billions of Yen)

	FY2018				FY2019
	Q1	Q2	Q3	Q4	Q1
Smart Life	203.1	235.3	233.1	224.9	180.6
8K Ecosystem	291.1	337.6	350.4	334.2	262.5
ICT	56.9	43.5	78.2	104.1	96.5
Subtotal	551.3	616.4	661.8	663.4	539.8
Adjustments	-17.4	-21.3	-19.3	-34.8	-24.8
Total	533.8	595.1	642.5	628.5	514.9

\*Sales include inter-segment sales and transfers.

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22

# Quarterly Operating Profit by Segment

(Billions of Yen)

	FY2018				FY2019
	Q1	Q2	Q3	Q4	Q1
Smart Life	5.6 (2.8%)	8.9 (3.8%)	11.1 (4.8%)	5.1 (2.3%)	6.2 (3.5%)
8K Ecosystem	14.1 (4.9%)	13.1 (3.9%)	13.2 (3.8%)	6.8 (2.1%)	6.5 (2.5%)
ICT	7.3 (12.9%)	2.3 (5.5%)	2.8 (3.7%)	8.7 (8.4%)	7.3 (7.6%)
Subtotal	27.0 (4.9%)	24.5 (4.0%)	27.2 (4.1%)	20.8 (3.1%)	20.1 (3.7%)
Adjustments	-2.2	-2.3	-5.9	-4.9	-5.5
Total	24.8 (4.6%)	22.2 (3.7%)	21.2 (3.3%)	15.8 (2.5%)	14.6 (2.8%)

\*Figures within parentheses indicate operating margin.

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23

## Capital Investment / Depreciation and Amortization, etc.

	(Billions of Yen)			
	FY2018			FY2019
	First Half	Second Half	Fiscal Year	Fiscal Year Forecast
<b>Capital Investment</b>	<b>27.8</b>	<b>28.1</b>	<b>55.9</b>	<b>76.0</b>
Displays	9.2	14.5	23.8	35.7
<b>Depreciation and Amortization</b>	<b>34.5</b>	<b>37.3</b>	<b>71.9</b>	<b>80.0</b>
<b>R&amp;D Expenditures</b>	<b>53.8</b>	<b>54.7</b>	<b>108.5</b>	<b>110.0</b>
	(Yen)			
Avg. Exchange Rate	FY2018			FY2019
	First Half	Second Half	Fiscal Year	Fiscal Year Forecast
<b>US Dollar</b>	<b>109.27</b>	<b>110.55</b>	<b>109.91</b>	<b>105.00</b>
<b>Euro</b>	<b>128.34</b>	<b>125.47</b>	<b>126.90</b>	<b>125.00</b>

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24

## Quarterly Capital Investment and Depreciation, etc.

	(Billions of Yen)				
	FY2018				FY2019
	Q1	Q2	Q3	Q4	Q1
<b>Capital Investment</b>	<b>11.3</b>	<b>16.4</b>	<b>14.7</b>	<b>13.4</b>	<b>9.0</b>
Displays	4.4	4.7	8.3	6.2	3.6
<b>Depreciation and Amortization</b>	<b>17.1</b>	<b>17.3</b>	<b>18.9</b>	<b>18.4</b>	<b>14.9</b>
<b>R&amp;D Expenditures</b>	<b>30.4</b>	<b>23.3</b>	<b>32.0</b>	<b>22.6</b>	<b>28.9</b>
	(Yen)				
Avg. Exchange Rate	FY2018				FY2019
	Q1	Q2	Q3	Q4	Q1
<b>US Dollar</b>	<b>108.07</b>	<b>110.46</b>	<b>111.90</b>	<b>109.21</b>	<b>108.90</b>
<b>Euro</b>	<b>128.56</b>	<b>128.12</b>	<b>127.28</b>	<b>123.66</b>	<b>121.99</b>

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25

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