



Consolidated Financial Results for the Third Quarter, Fiscal 2021

I . Cumulative Consolidated Financial Results for the Third Quarter, Fiscal 2021

Consolidated Financial Results for the Third Quarter, Fiscal 2021

II . Fiscal 2021 Consolidated Financial Results Forecast and Dividends

III . Supplementary Data

SHARP CORPORATION

February 8, 2022

Outline

- Cumulative Q3 net sales and profits outperformed results from the same period in the previous year. Ordinary profit and bottom-line profit rose significantly at 1.9 times and 1.7 times, respectively.
- Q3 operating profit was lower year on year, due in part to the impact of supply chain disruptions; however, ordinary profit and bottom-line profit increased 2.4 times and 1.6 times, respectively.
- White goods maintained double-digit profit margin in the midst of soaring raw material prices.
Display device sales posted a 2.5-fold profit year on year due to improved model mix.
- We made revisions to our full-year forecast, reflecting our progress through Q3 and recent conditions.
We made a downward revision to net sales and operating profit, and an upward revision to ordinary profit and bottom-line profit.
- In consideration of bottom-line profit growth, we plan to pay 40 yen per share in fiscal 2021 dividends, an increase of 10 yen compared to the 30 yen per share dividend payment in fiscal 2020

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- First, let's look at an overview of our consolidated financial results.
- Cumulative Q3 net sales and profit measures outperformed results from the same period in the previous year.
Ordinary profit and bottom-line profit rose 1.9 times and 1.7 times, respectively.
- Q3 ordinary profit and bottom-line profit rose 2.4 times and 1.6 times, respectively, despite lower operating profit, due in part to ongoing supply chain disruptions.
- White goods maintained double-digit profit margin in the midst of soaring raw materials costs. Display devices posted a 2.5-fold profit year on year due to improved model mix.
- We revised our full-year forecast, reflecting our progress through Q3 and recent conditions. We made a downward revision to net sales and operating profit, and an upward revision to ordinary profit and bottom-line profit.
- In consideration of bottom-line profit growth, we plan to pay 40 yen per share in fiscal 2021 dividends, which is an increase of 10 yen compared with the 30 yen per share dividend payment in fiscal 2020.

I . Cumulative Consolidated Financial Results for the Third Quarter, Fiscal 2021

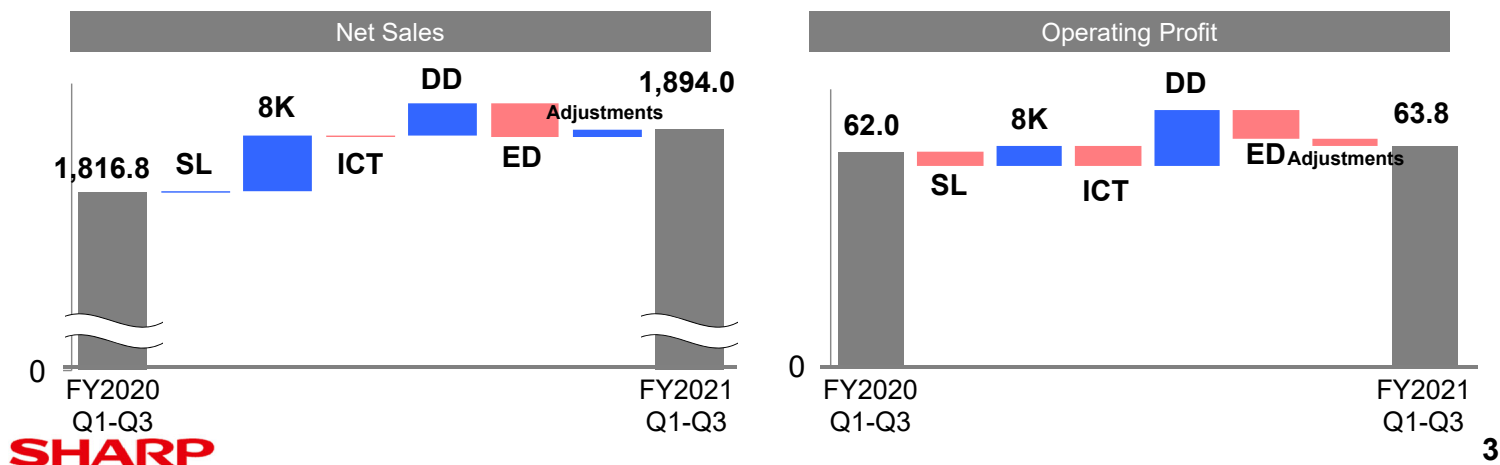
Consolidated Financial Results for the Third Quarter, Fiscal 2021

- Next, let's look at an overview of our consolidated financial results.

Cumulative Consolidated Financial Results for the Third Quarter, Fiscal 2021

(Billions of Yen)

| | FY2020 | FY2021 | |
|---|----------------|----------------|--------|
| | Q1-Q3 | Q1-Q3 | Y on Y |
| Net Sales | 1,816.8 | 1,894.0 | +4.2% |
| Operating Profit | 62.0 (3.4%) | 63.8 (3.4%) | +3.0% |
| Ordinary Profit | 43.8 (2.4%) | 84.6 (4.5%) | +93.0% |
| Profit Attributable to Owners of Parent | 41.1 (2.3%) | 70.8 (3.7%) | +72.2% |
| Avg. Exchange Rate | | | |
| USD/JPY | 105.11 | 110.10 | |
| Euro/JPY | 120.87 | 129.12 | |



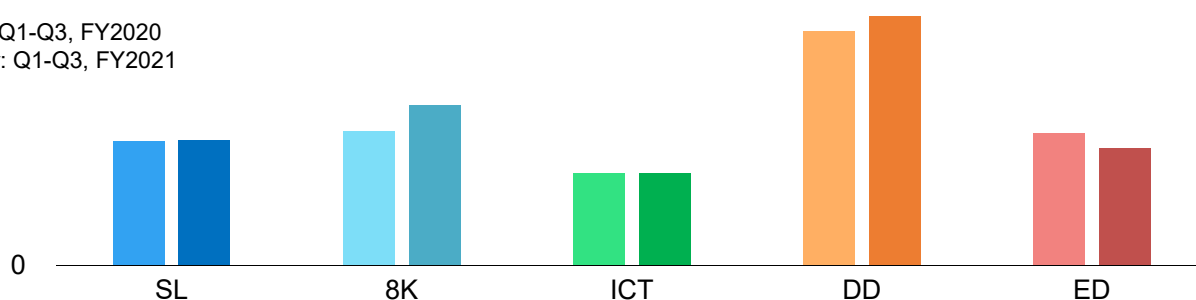
- Let's turn to the next slide, which provides highlights of our financial results for the cumulative Q3, fiscal 2021.
- Net sales amounted to 1,894.0 billion yen, an increase of 4.2% year on year.
- Operating profit amounted to 63.8 billion yen, 3.0% up year on year, ordinary profit amounted to 84.6 billion yen, up 1.9-fold year on year, profit attributable to owners of parent amounted to 70.8 billion yen, up 1.7-fold year on year.

(Cumulative Q3) Sales by Segment

(Billions of Yen)

| | FY2020 | FY2021 | |
|--------------------------|----------------|----------------|--------------|
| | Q1-Q3 | Q1-Q3 | Y on Y |
| Smart Life | 329.7 | 331.2 | +0.5% |
| 8K Ecosystem | 355.4 | 425.0 | +19.6% |
| ICT | 245.7 | 244.3 | -0.6% |
| Brand Businesses | 930.8 | 1,000.6 | +7.5% |
| Display Device | 619.0 | 658.6 | +6.4% |
| Electronic Device | 351.3 | 309.6 | -11.9% |
| Device Businesses | 970.4 | 968.2 | -0.2% |
| Subtotal | 1,901.2 | 1,968.9 | +3.6% |
| Adjustments | -84.4 | -74.8 | - |
| Total | 1,816.8 | 1,894.0 | +4.2% |

Left bar: Q1-Q3, FY2020
Right bar: Q1-Q3, FY2021



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*Sales include inter-segment sales and transfers.

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- This next slide shows sales by segment for the cumulative Q3, fiscal 2021.
- Brand Business sales increased 7.5% year on year to 1,000.6 billion yen, while Device Business sales decreased 0.2% to 968.2 billion yen.

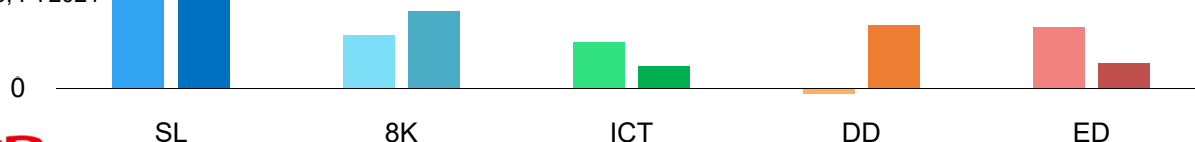
(Cumulative Q3) Operating Profit by Segment

*Figures within parentheses indicate operating margin.

(Billions of Yen)

| | FY2020 | FY2021 | |
|--------------------------|------------------------|------------------------|--------|
| | Q1-Q3 | Q1-Q3 | Y on Y |
| Smart Life | 40.3 (12.2%) | 36.1 (10.9%) | -10.5% |
| 8K Ecosystem | 12.5 (3.5%) | 18.3 (4.3%) | +46.8% |
| ICT | 11.0 (4.5%) | 5.3 (2.2%) | -51.8% |
| Brand Businesses | 63.9 (6.9%) | 59.8 (6.0%) | -6.4% |
| Display Device | -1.2 (-0.2%) | 14.9 (2.3%) | - |
| Electronic Device | 14.5 (4.1%) | 6.0 (1.9%) | -58.4% |
| Device Businesses | 13.2 (1.4%) | 20.9 (2.2%) | +58.2% |
| Subtotal | 77.2 (4.1%) | 80.8 (4.1%) | +4.7% |
| Adjustments | -15.1 | -16.9 | - |
| Total | 62.0 (3.4%) | 63.8 (3.4%) | +3.0% |

Left bar: Q1-Q3, FY2020
Right bar: Q1-Q3, FY2021



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- Let's turn to the next slide, which shows operating profit by segment for the cumulative Q3, fiscal 2021.
- Brand Business operating profit amounted to 59.8 billion yen, 6.4% lower year on year, while the Device Business amounted to 20.9 billion yen, up 58.2% year on year

Consolidated Financial Results for the Third Quarter, Fiscal 2021

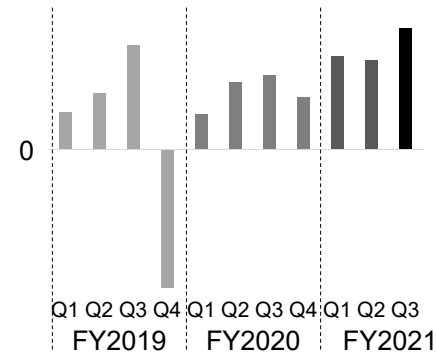
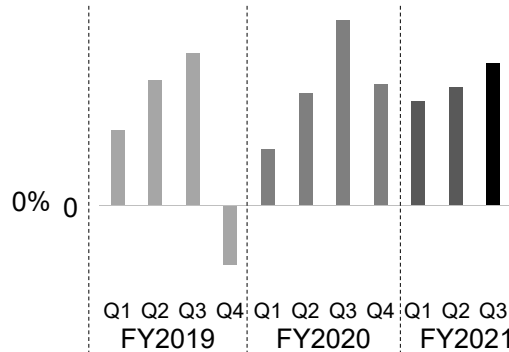
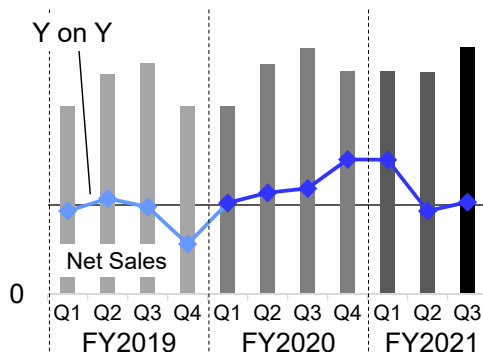
(Billions of Yen)

| | FY2020 | | | | FY2021 | | | |
|---|----------------|----------------|----------------|----------------|----------------|----------------|----------------|---------|
| | Q1 | Q2 | Q3 | Q4 | Q1 | Q2 | Q3 | Y on Y |
| Net Sales | 514.4 | 628.9 | 673.4 | 609.0 | 611.5 | 606.6 | 675.8 | +0.4% |
| Operating Profit | 9.8 (1.9%) | 19.7 (3.1%) | 32.3 (4.8%) | 21.1 (3.5%) | 18.3 (3.0%) | 20.6 (3.4%) | 24.8 (3.7%) | -23.2% |
| Ordinary Profit | 11.2 (2.2%) | 18.5 (3.0%) | 13.9 (2.1%) | 19.3 (3.2%) | 25.6 (4.2%) | 25.2 (4.2%) | 33.7 (5.0%) | +141.7% |
| Profit Attributable to Owners of Parent | 8.1 (1.6%) | 15.5 (2.5%) | 17.3 (2.6%) | 12.1 (2.0%) | 21.6 (3.5%) | 20.8 (3.4%) | 28.3 (4.2%) | +63.0% |
| Avg. Exchange Rate | | | | | | | | |
| USD/JPY | 106.62 | 105.22 | 103.51 | 104.90 | 108.49 | 109.11 | 112.71 | |
| Euro/JPY | 116.97 | 122.61 | 123.03 | 126.18 | 130.45 | 128.33 | 128.57 | |

Net Sales

Operating Profit

Profit Attributable to Owners of Parent



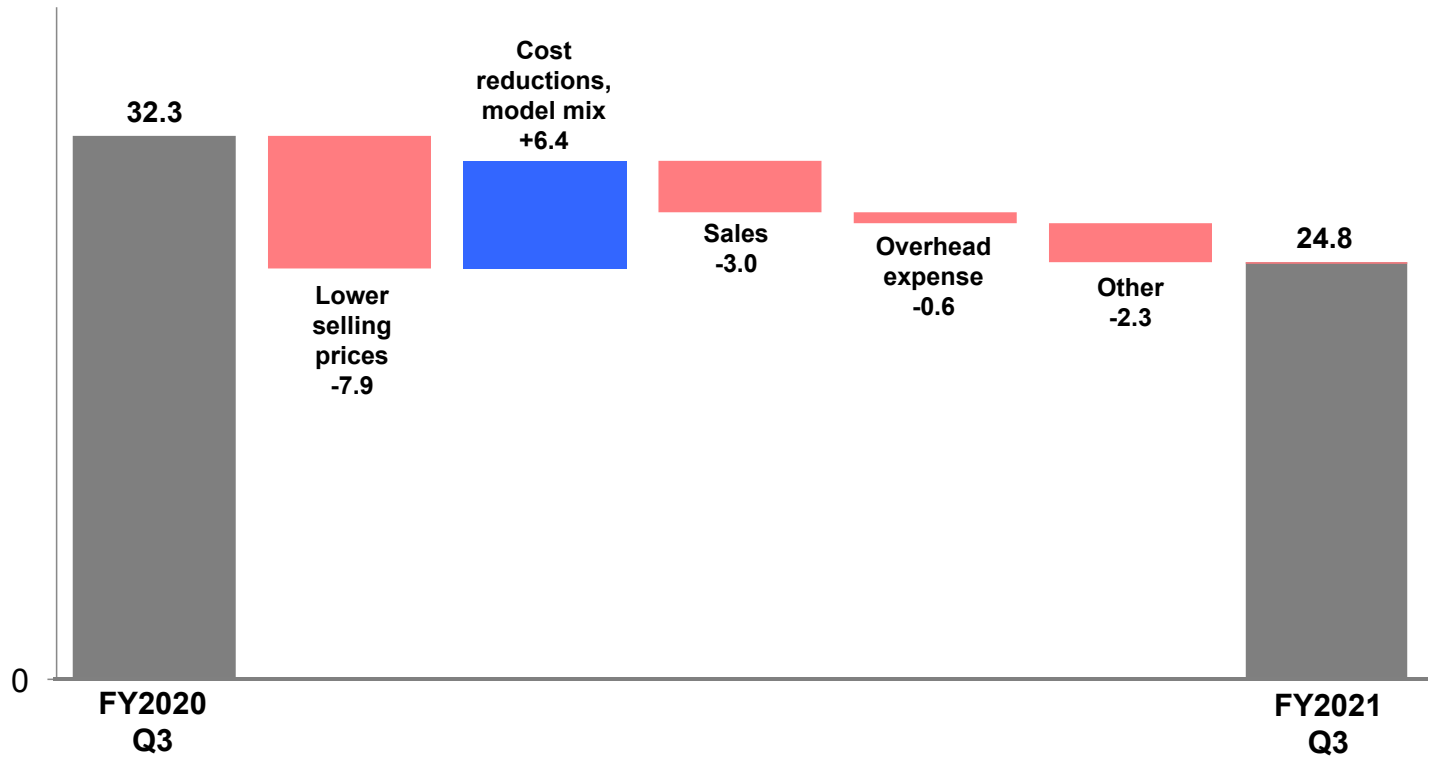
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- The next slide provides highlights of our financial results for Q3, fiscal 2021.
- Net sales amounted to 675.8 billion yen, an increase of 0.4% year on year.
- Operating profit amounted to 24.8 billion yen, 23.2% down year on year, ordinary profit amounted to 33.7 billion yen, up 2.4-fold year on year, profit attributable to owners of parent amounted to 28.3 billion yen, up 1.6-fold year on year.

Operating Profit Analysis : Y on Y Change Factors for the Third Quarter, Fiscal 2021

(Billions of Yen)

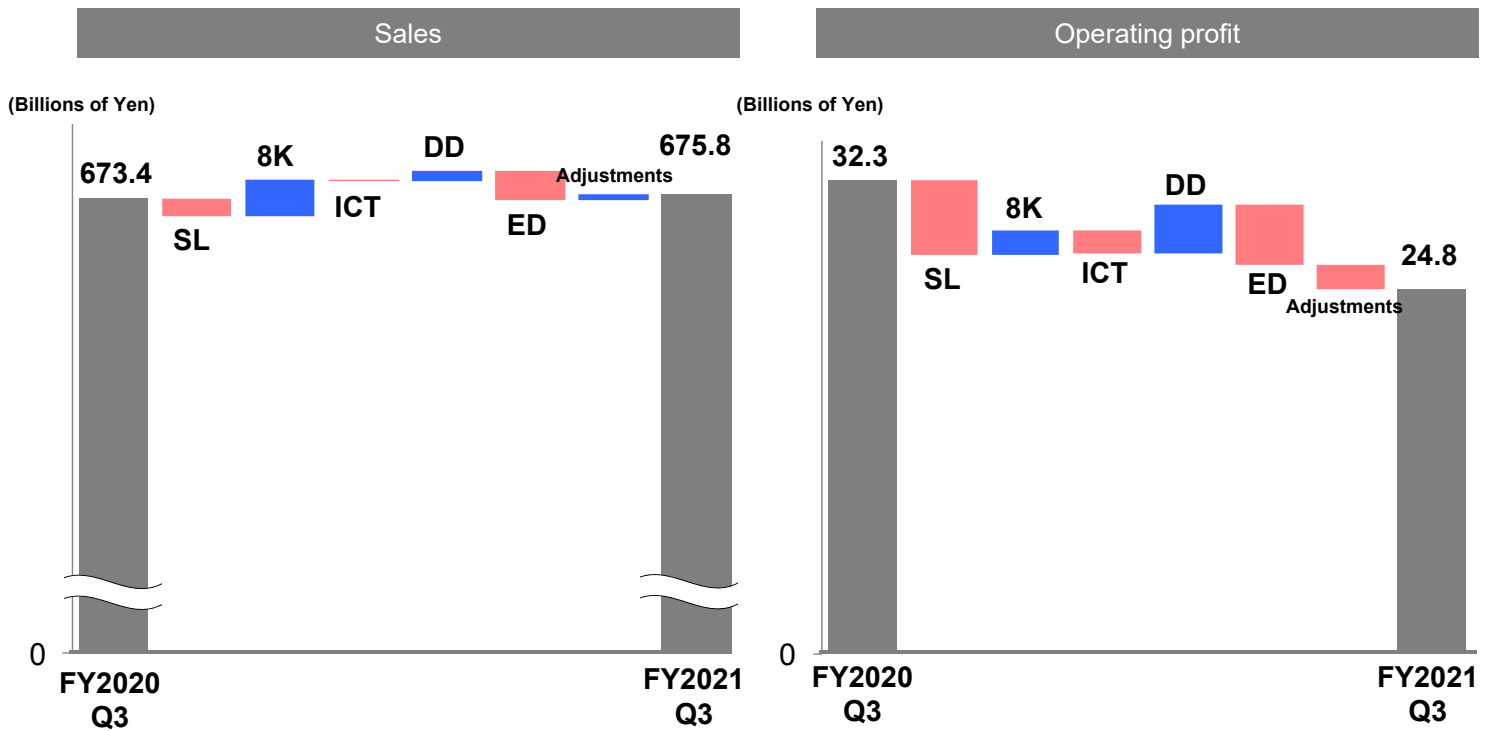


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- The next graph shows our analysis of year-on-year changes in operating profit for Q3, fiscal 2021.
- Notable change factors included
 - a 7.9 billion yen decrease due to lower selling prices,
 - a 6.4 billion yen improvement due to cost reductions and model mix,
 - a 3.0 billion yen decrease due to changes in sales performance,
 - a 0.6 billion yen decrease related to overhead expenses.

Sales and Operating Profit Analysis: Y on Y Change by Segment for the Third Quarter, Fiscal 2021



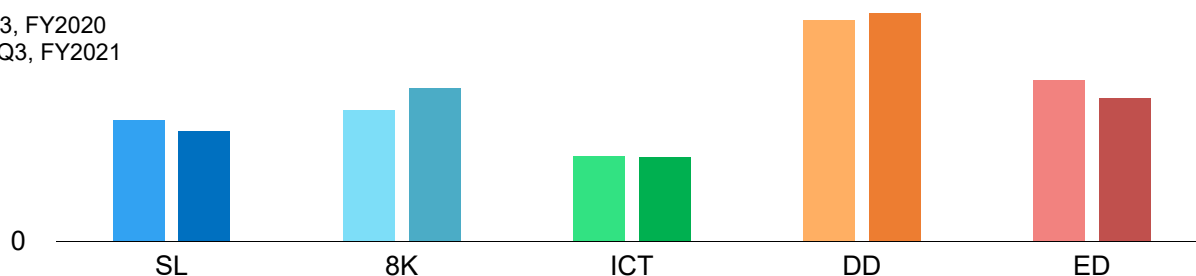
- The next graphs provide a year-on-year change analysis for sales and operating profit.
- Q3 fiscal 2021 sales rose for 8K Ecosystem and Display Device. 8K Ecosystem and Display Device also recorded an increase in operating profit.

(Third Quarter) Sales by Segment

(Billions of Yen)

| | FY2020 | | | | FY2021 | | | |
|-------------------|--------|-------|-------|-------|--------|-------|-------|--------|
| | Q1 | Q2 | Q3 | Q4 | Q1 | Q2 | Q3 | Y on Y |
| Smart Life | 95.3 | 116.7 | 117.6 | 125.7 | 111.0 | 112.9 | 107.3 | -8.8% |
| 8K Ecosystem | 100.5 | 127.4 | 127.4 | 137.6 | 137.5 | 138.5 | 148.9 | +16.9% |
| ICT | 84.5 | 77.9 | 83.1 | 97.7 | 80.2 | 81.8 | 82.2 | -1.1% |
| Brand Businesses | 280.4 | 322.1 | 328.2 | 361.2 | 328.7 | 333.3 | 338.5 | +3.1% |
| Display Device | 171.8 | 231.4 | 215.6 | 193.7 | 213.3 | 223.4 | 221.8 | +2.8% |
| Electronic Device | 86.6 | 107.5 | 157.1 | 77.2 | 96.5 | 73.5 | 139.5 | -11.2% |
| Device Businesses | 258.5 | 339.0 | 372.8 | 270.9 | 309.8 | 297.0 | 361.3 | -3.1% |
| Subtotal | 539.0 | 661.1 | 701.0 | 632.1 | 638.6 | 630.3 | 699.9 | -0.2% |
| Adjustments | -24.5 | -32.1 | -27.6 | -23.1 | -27.0 | -23.7 | -24.0 | - |
| Total | 514.4 | 628.9 | 673.4 | 609.0 | 611.5 | 606.6 | 675.8 | +0.4% |

Left bar: Q3, FY2020
Right bar: Q3, FY2021



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*Sales include inter-segment sales and transfers.

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- This next slide shows sales by segment for Q3, fiscal 2021.
- Brand Business sales increased 3.1% year on year to 338.5 billion yen, while Device Business sales decreased 3.1% to 361.3 billion yen.

Brand Business sales advanced steadily overseas and posted higher results, even when compared with fiscal 2019, before the outbreak of COVID-19.

(Third Quarter) Operating Profit by Segment

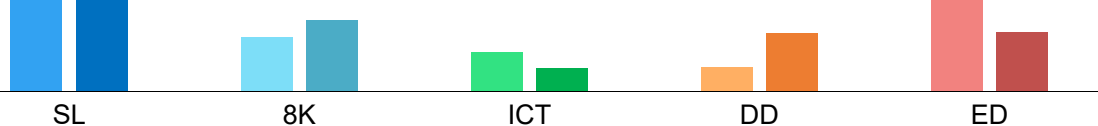
*Figures within parentheses indicate operating margin.

(Billions of Yen)

| | FY2020 | | | | FY2021 | | | Y on Y |
|-------------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|---------|
| | Q1 | Q2 | Q3 | Q4 | Q1 | Q2 | Q3 | |
| Smart Life | 10.1 (10.7%) | 13.3 (11.5%) | 16.8 (14.3%) | 18.5 (14.7%) | 12.6 (11.4%) | 11.8 (10.5%) | 11.6 (10.9%) | -30.6% |
| 8K Ecosystem | 0.5 (0.5%) | 6.8 (5.4%) | 5.1 (4.1%) | 3.0 (2.2%) | 4.1 (3.0%) | 7.3 (5.3%) | 6.8 (4.6%) | +31.8% |
| ICT | 4.5 (5.4%) | 2.7 (3.5%) | 3.7 (4.5%) | 4.3 (4.5%) | 2.1 (2.7%) | 0.9 (1.2%) | 2.1 (2.7%) | -41.6% |
| Brand Businesses | 15.2 (5.4%) | 22.9 (7.1%) | 25.7 (7.8%) | 25.8 (7.2%) | 18.9 (5.8%) | 20.2 (6.1%) | 20.7 (6.1%) | -19.6% |
| Display Device | -3.0 (-1.8%) | -0.4 (-0.2%) | 2.2 (1.1%) | 3.1 (1.6%) | 3.3 (1.6%) | 5.9 (2.7%) | 5.6 (2.5%) | +147.8% |
| Electronic Device | 1.4 (1.7%) | 3.2 (3.1%) | 9.7 (6.2%) | -1.8 (-2.3%) | 1.0 (1.1%) | -0.7 (-1.0%) | 5.6 (4.1%) | -41.9% |
| Device Businesses | -1.5 (-0.6%) | 2.8 (0.8%) | 12.0 (3.2%) | 1.2 (0.5%) | 4.3 (1.4%) | 5.2 (1.8%) | 11.2 (3.1%) | -6.1% |
| Subtotal | 13.6 (2.5%) | 25.7 (3.9%) | 37.7 (5.4%) | 27.1 (4.3%) | 23.3 (3.7%) | 25.5 (4.0%) | 31.9 (4.6%) | -15.3% |
| Adjustments | -3.8 | -5.9 | -5.4 | -6.0 | -4.9 | -4.8 | -7.1 | - |
| Total | 9.8 (1.9%) | 19.7 (3.1%) | 32.3 (4.8%) | 21.1 (3.5%) | 18.3 (3.0%) | 20.6 (3.4%) | 24.8 (3.7%) | -23.2% |

Left bar: Q3, FY2020
Right bar: Q3, FY2021

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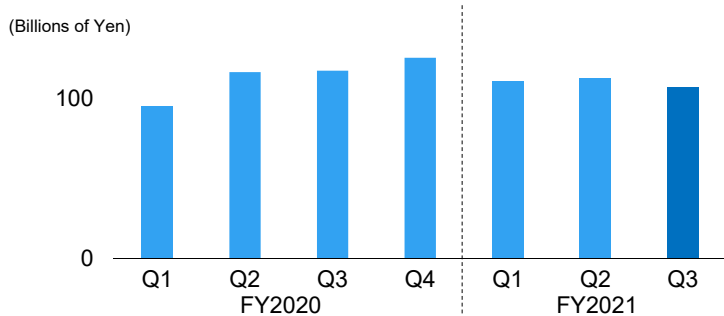
- Let's turn to the next slide, which shows operating profit by segment for Q3, fiscal 2021.
- Brand Business operating profit amounted to 20.7 billion yen, 19.6% lower year on year, while the Device Business amounted to 11.2 billion yen, 6.1% lower year on year

Although profit was lower year on year, the Brand Business and Device Business recorded an increase in profit compared with Q2.

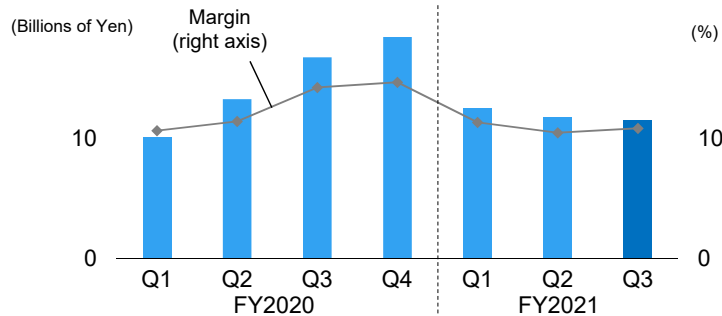
Electronic Device, which posted a net loss in Q2, posted a net profit in conjunction with a return to normal production. In Q3, all five segments posted net profits.

| (Billions of Yen) | FY2020 | | | | FY2021 | | | |
|-------------------------|---------|---------|---------|---------|---------|---------|---------|--------|
| | Q1 | Q2 | Q3 | Q4 | Q1 | Q2 | Q3 | Y on Y |
| Sales | 95.3 | 116.7 | 117.6 | 125.7 | 111.0 | 112.9 | 107.3 | -8.8% |
| Operating Profit | 10.1 | 13.3 | 16.8 | 18.5 | 12.6 | 11.8 | 11.6 | -30.6% |
| | (10.7%) | (11.5%) | (14.3%) | (14.7%) | (11.4%) | (10.5%) | (10.9%) | |

Sales (Decrease)



Operating profit (Decrease)



(Dec.) Domestic Plasmacluster sales decreased year on year, when sales more than doubled due to special factors (sales increased compared to the year before last)

(Dec.) Semiconductor bottlenecks have impacted the energy solutions business

(Incr.) Growth for built-in ranges and other cooking appliances in Europe and the Americas

(Incr.) Strong performance in air conditioners, washing machines, etc., in Asia

(Incr.) Increase in EPC business sales in Japan

(Dec.) Decrease in sales

(Dec.) Impact of soaring component prices

(Incr.) Improved earnings capacity

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- Please turn to the next slide. This is our performance by segment. First, I want to address our Smart Life segment.

- Sales amounted to 107.3 billion yen, 8.8% lower year on year.

White goods business sales were lower year on year.

Although sales of cooking appliances in Europe and the Americas and sales of air conditioners and washing machines in Asia were higher, domestic Plasmacluster sales decreased compared with the same period in the previous year in which sales more than doubled.

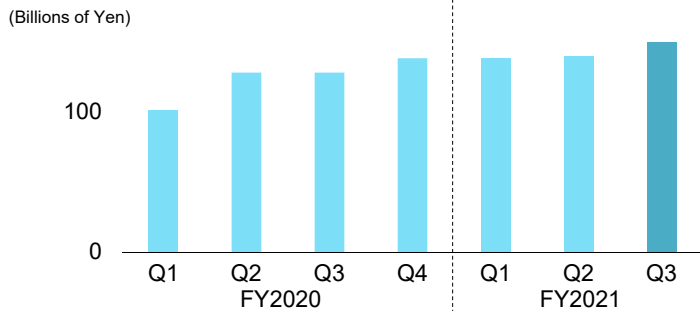
The energy solutions business posted lower sales due to the impact of semiconductor shortages.

- Operating profit amounted to 11.6 billion yen, 30.6% lower year on year.

In addition to a decrease in sales, soaring prices for semiconductors and raw materials impacted performance. However, the segment continued to maintain a high operating profit margin in excess of 10%.

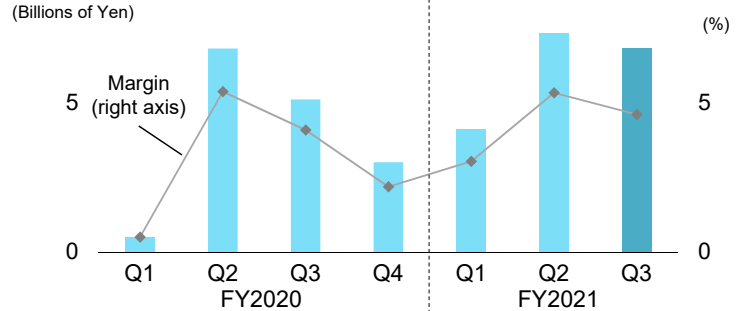
| (Billions of Yen) | FY2020 | | | | FY2021 | | | |
|-------------------------|--------|--------|--------|--------|--------|--------|--------|--------|
| | Q1 | Q2 | Q3 | Q4 | Q1 | Q2 | Q3 | Y on Y |
| Sales | 100.5 | 127.4 | 127.4 | 137.6 | 137.5 | 138.5 | 148.9 | +16.9% |
| Operating Profit | 0.5 | 6.8 | 5.1 | 3.0 | 4.1 | 7.3 | 6.8 | +31.8% |
| Profit | (0.5%) | (5.4%) | (4.1%) | (2.2%) | (3.0%) | (5.3%) | (4.6%) | |

Sales (Increase)



- (Incr.) Growth in TVs in Europe, Asia, etc.
- (Incr.) Impact of MFP business sales growth in Europe, the Americas
- (Incr.) Smart office business was firm in Europe and the Americas, etc.
- (Incr.) Impact of SNDS* consolidation
- (Dec.) Impact of logistics bottlenecks for shipments to Europe, the Americas

Operating profit (Increase)



- (Incr.) Increase in sales
- (Incr.) Advancements in added value for TVs in Europe, etc.
- (Incr.) Increase in MFP print volume
- (Dec.) Rising component prices
- (Dec.) Increased logistics costs

* Sharp NEC Display Solutions, Ltd.

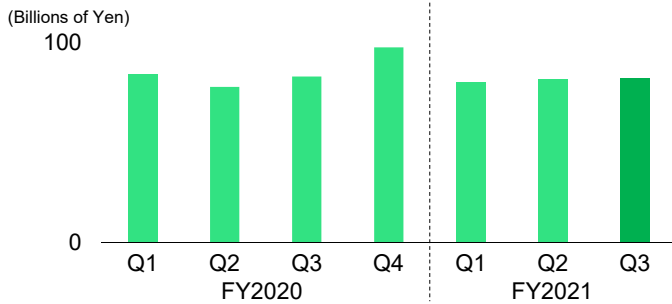
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- The next slide describes performance in our 8K Ecosystem.
 - Sales amounted to 148.9 billion yen, 16.9% up year on year.
Growth in TVs in Europe and Asia, increased MFP business sales in the Americas and Europe, and the impact of the consolidation of Sharp NEC Display Solutions, Ltd., and other factors combined for higher sales.
 - Operating profit amounted to 6.8 billion yen, 31.8% up year on year.
In addition to an increase in sales, advancements in added value for TVs in Europe and a recovery in print volume for the MFP business contributed to profit growth.
- All businesses are recovering steadily and recorded higher sales and profits in the midst of disruptions in the supply chain, rising semiconductor prices, raw materials prices, and logistics costs.

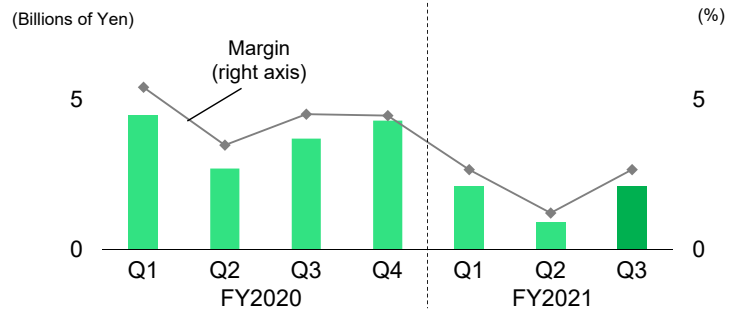
| (Billions of Yen) | FY2020 | | | | FY2021 | | | |
|-------------------------|--------|--------|--------|--------|--------|--------|--------|--------|
| | Q1 | Q2 | Q3 | Q4 | Q1 | Q2 | Q3 | Y on Y |
| Sales | 84.5 | 77.9 | 83.1 | 97.7 | 80.2 | 81.8 | 82.2 | -1.1% |
| Operating Profit | 4.5 | 2.7 | 3.7 | 4.3 | 2.1 | 0.9 | 2.1 | -41.6% |
| Profit | (5.4%) | (3.5%) | (4.5%) | (4.5%) | (2.7%) | (1.2%) | (2.7%) | |

Sales (Decrease)



(Dec.) Impact of semiconductor bottlenecks
 (Dec.) Pause in domestic GIGA School demand in the PC business
 (Incr.) Increase in corporate PC business sales in Asia, etc.

Operating profit (Decrease)

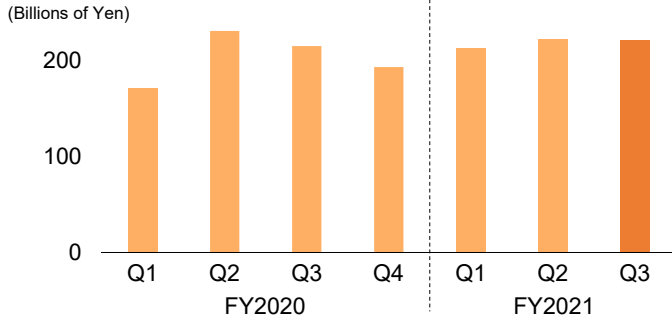


(Dec.) Rising prices for semiconductors, etc.
 (Dec.) Decrease in sales

- Please turn to the next slide. This slide shows ICT performance.
- Sales amounted to 82.2 billion yen, a decrease of 1.1% year on year. Corporate PC business sales in Asia, etc., increased; however, the significant impact of semiconductor bottlenecks on mobile communications, a pause in domestic demand in connection with the GIGA School concept, and other factors resulted in a decrease in sales.
- Operating profit decreased 41.6% to 2.1 billion yen due to a general increase in component prices for semiconductors and other components. Both mobile communications and PC businesses recorded an increase in profits compared with Q2.

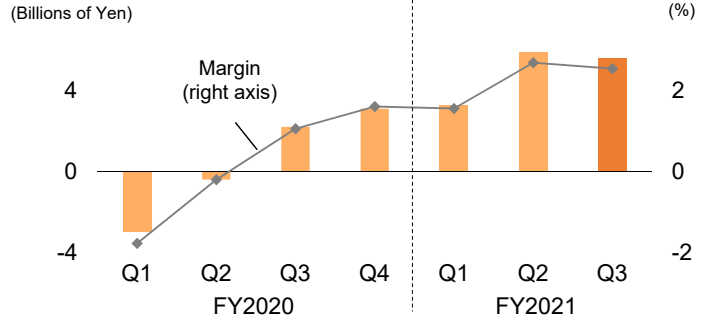
| (Billions of Yen) | FY2020 | | | | FY2021 | | | |
|-------------------------|---------|---------|--------|--------|--------|--------|--------|---------|
| | Q1 | Q2 | Q3 | Q4 | Q1 | Q2 | Q3 | Y on Y |
| Sales | 171.8 | 231.4 | 215.6 | 193.7 | 213.3 | 223.4 | 221.8 | +2.8% |
| Operating Profit | -3.0 | -0.4 | 2.2 | 3.1 | 3.3 | 5.9 | 5.6 | +147.8% |
| | (-1.8%) | (-0.2%) | (1.1%) | (1.6%) | (1.6%) | (2.7%) | (2.5%) | |

Sales (Increase)



- (Incr.) Firm performance for PCs and tablets
- (Incr.) Growth in panels for automotive
- (Dec.) Decrease in panels for smartphones
- (Dec.) Impact of semiconductor bottlenecks

Operating profit (Increase)



- (Incr.) Model mix improvement through increased sales of medium-size panels, etc.
- (Dec.) Rising prices for semiconductors, etc.

- Let's turn to the next slide, which shows performance in our Display Device.
- Sales amounted to 221.8 billion yen, an increase of 2.8% year on year. Sales of small-size panels for smartphones decreased; however, sales of medium-size panels increased, including for automotive, PC, and tablet use.
- Operating profit increased 2.5 times to 5.6 billion yen. This result was mainly due to improved model mix, as the sales ratio of medium-size panels rose.

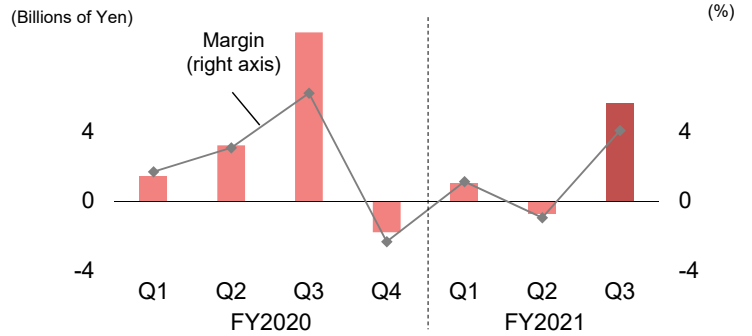
| (Billions of Yen) | FY2020 | | | | FY2021 | | | |
|-------------------------|--------|--------|--------|---------|--------|---------|--------|--------|
| | Q1 | Q2 | Q3 | Q4 | Q1 | Q2 | Q3 | Y on Y |
| Sales | 86.6 | 107.5 | 157.1 | 77.2 | 96.5 | 73.5 | 139.5 | -11.2% |
| Operating Profit | 1.4 | 3.2 | 9.7 | -1.8 | 1.0 | -0.7 | 5.6 | -41.9% |
| | (1.7%) | (3.1%) | (6.2%) | (-2.3%) | (1.1%) | (-1.0%) | (4.1%) | |

Sales (Decrease)



(Dec.) Impact of COVID-19 on production remained as of the beginning of Q3 (normalized at present)

Operating profit (Decrease)



(Dec.) Decrease in sales (Significant increase vs. Q2; operating profit shifted positive)

- This next slide shows Electronic Device performance.
- Sales were 139.5 billion yen, down 11.2% year on year. While production performance has normalized at present, the impact of COVID-19 on production remained as of the beginning of Q3, resulting in lower sales.
- Due to the decrease in sales, operating profit declined 41.9% to 5.6 billion yen. Although sales and profits declined year on year, we experienced a significant increase in sales since Q2, and operating profit improved 6.3 billion yen, swinging to a profit.

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

(Billions of Yen)

| | FY2020 | | | | FY2021 | | | Difference (Y on Y) |
|--|-------------|-------------|--------------|-------------|-------------|-------------|-------------|------------------------|
| | Q1 | Q2 | Q3 | Q4 | Q1 | Q2 | Q3 | |
| Operating Profit | 9.8 | 19.7 | 32.3 | 21.1 | 18.3 | 20.6 | 24.8 | -7.5 |
| Non-operating Income (Expenses) | +1.4 | -1.1 | -18.3 | -1.7 | +7.2 | +4.5 | +8.8 | +27.1 |
| Interest expense | -1.2 | -1.5 | -1.3 | -1.3 | -1.3 | -1.1 | -1.1 | +0.2 |
| Foreign exchange gain (loss) | +2.2 | +1.3 | +0.8 | +1.0 | +3.2 | +3.7 | +5.5 | +4.7 |
| Share of profit (loss) of entities accounted for using equity method | -0.6 | -2.8 | -15.3 | +2.1 | +4.3 | +2.3 | -1.3 | +14.0 |
| Ordinary Profit | 11.2 | 18.5 | 13.9 | 19.3 | 25.6 | 25.2 | 33.7 | +19.8 |
| Extraordinary Income (Losses) | -0.2 | -0.1 | +8.6 | -4.9 | +0.7 | +0.8 | -1.9 | -10.5 |
| Gain (loss) on sale of non-current assets | +2.8 | - | +2.6 | +0.1 | +0.1 | +0.4 | +2.3 | -0.3 |
| Gain on sale of businesses | - | - | - | - | - | - | +5.9 | +5.9 |
| Gain on receipt of donated non-current assets | - | - | +6.1 | +0.5 | +0.7 | +0.5 | - | -6.1 |
| Impairment loss | -0.8 | -0.1 | -0.1 | -5.2 | - | - | -7.7 | -7.6 |
| Settlement package | - | - | - | - | - | - | -2.7 | -2.7 |
| Pretax Income | 11.0 | 18.4 | 22.5 | 14.3 | 26.3 | 26.0 | 31.8 | +9.3 |
| Income Taxes, etc. | -2.8 | -2.8 | -5.1 | -2.2 | -4.6 | -5.2 | -3.4 | +1.7 |
| Profit Attributable to Owners of Parent | 8.1 | 15.5 | 17.3 | 12.1 | 21.6 | 20.8 | 28.3 | +11.0 |

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- The next slide addresses non-operating income, extraordinary income, and income taxes.
- During Q3, fiscal 2021, Sharp recorded 5.9 billion yen in gain on sale of businesses as extraordinary income and 7.7 billion yen in impairment loss as extraordinary losses

Consolidated Balance Sheets

- Cash and deposits as of the end of Q3 amounted to 243.3 billion yen, net assets amounted to 434.5 billion yen, and the equity ratio was 21.4%

| | | | | (Billions of Yen) | | | |
|---|----------------|----------------|----------------|--|----------------|----------------|----------------|
| | FY2020 | FY2021 | | FY2020 | FY2021 | | |
| | End of Mar. | End of Sep. | End of Dec. | End of Mar. | End of Sep. | End of Dec. | |
| Cash and deposits | 341.9 | 261.5 | 243.3 | Notes and accounts payable – trade, etc. | 396.4 | 403.6 | 459.0 |
| Notes and accounts receivable – trade, etc. | 457.6 | 461.0 | 553.5 | Short-term borrowings | 163.0 | 82.4 | 73.0 |
| Inventories | 263.0 | 311.6 | 316.4 | Current portion of bonds payable | 0.0 | 0.0 | 0.0 |
| Other current assets | 126.1 | 119.9 | 122.5 | Other current liabilities | 326.1 | 337.6 | 322.4 |
| Current Assets | 1,188.7 | 1,154.2 | 1,235.9 | Current Liabilities | 885.5 | 823.7 | 854.6 |
| Property, plant and Equipment | 438.4 | 443.5 | 434.3 | Bonds payable | 0.0 | 0.0 | 0.0 |
| Intangible assets | 45.1 | 43.5 | 42.6 | Long-term borrowings | 561.8 | 569.4 | 570.8 |
| Investments and other Assets | 254.8 | 254.1 | 255.2 | Other non-current liabilities | 115.6 | 110.2 | 108.1 |
| Non-current Assets | 738.4 | 741.2 | 732.3 | Non-current Liabilities | 677.5 | 679.7 | 679.0 |
| Total Assets | 1,927.2 | 1,895.5 | 1,968.2 | Net Assets | 364.1 | 392.0 | 434.5 |
| | | | | Total Liabilities and Net Assets | 1,927.2 | 1,895.5 | 1,968.2 |
| Exchange Rate, End of Period | | | | | | | |
| USD/JPY | 109.72 | 110.95 | 114.02 | Equity Ratio | 18.2% | 20.0% | 21.4% |
| Euro/JPY | 128.26 | 128.40 | 129.02 | Equity | 350.3 | 379.3 | 421.2 |

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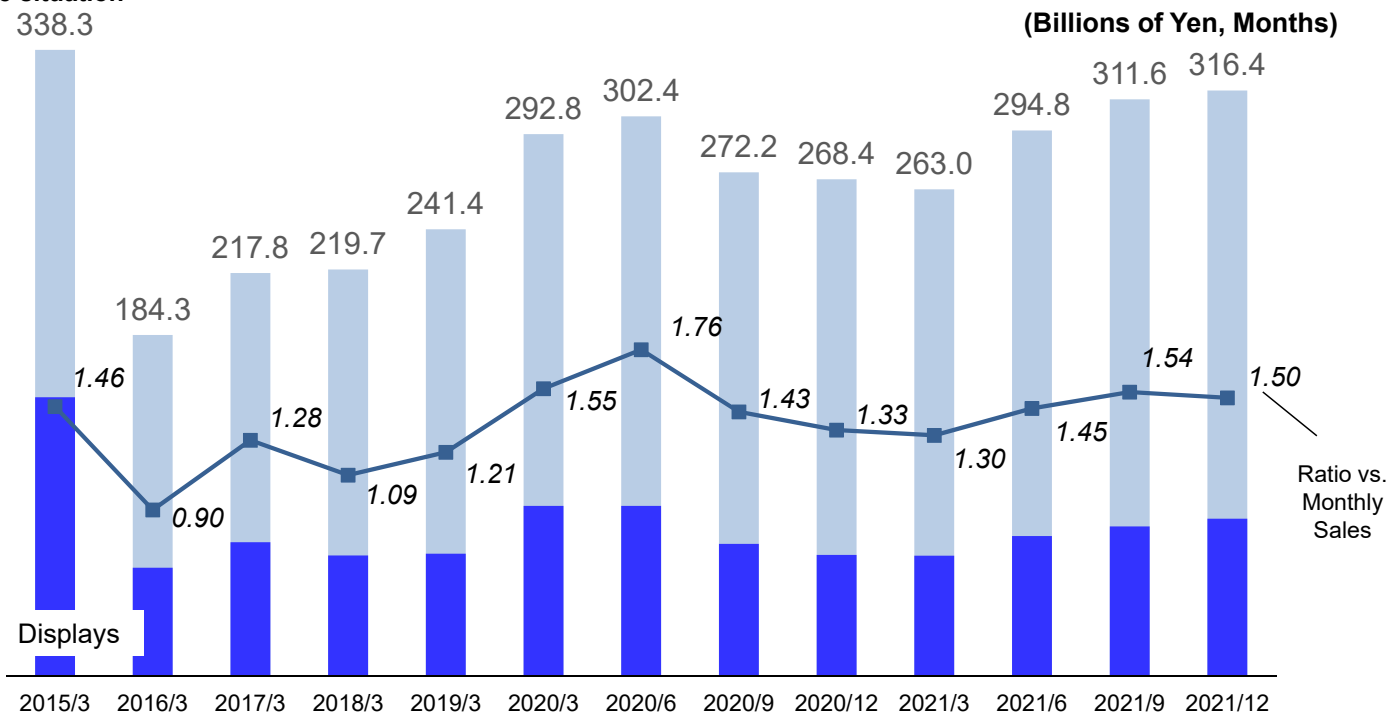
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- The next slide provides information about our balance sheets.
- Sales rose significantly compared with Q2, resulting in an increase of 92.5 billion yen in notes and accounts receivable-trade. As a result, cash and deposits amounted to 243.3 billion yen, a decrease of 18.2 billion yen compared with the balance of 261.5 billion yen at the end of September.

Performance trended firm, and we recorded steady bottom-line profit. As a result, net assets rose to 434.5 billion yen, up from 392.0 billion yen, and our equity ratio was 21.4%, up from 20.0%.

Inventory Trends

- Inventory amounted to 316.4 billion yen, an increase of 4.8 billion compared with the end of September 2021; our ratio of inventory to monthly sales decreased 0.04 months to 1.50 months.
- In response to disruptions in the supply chain, we intend to make advance arrangements for semiconductors and other items necessary for production activities, and we will secure inventory in consideration of the extended logistics timing to avoid sales disruptions
- We will continue to monitor changes in the business environment and strive to manage inventory appropriately according to the situation



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*The company adopted a change in accounting standards; figures for 2021/3 and earlier were prepared under different standards

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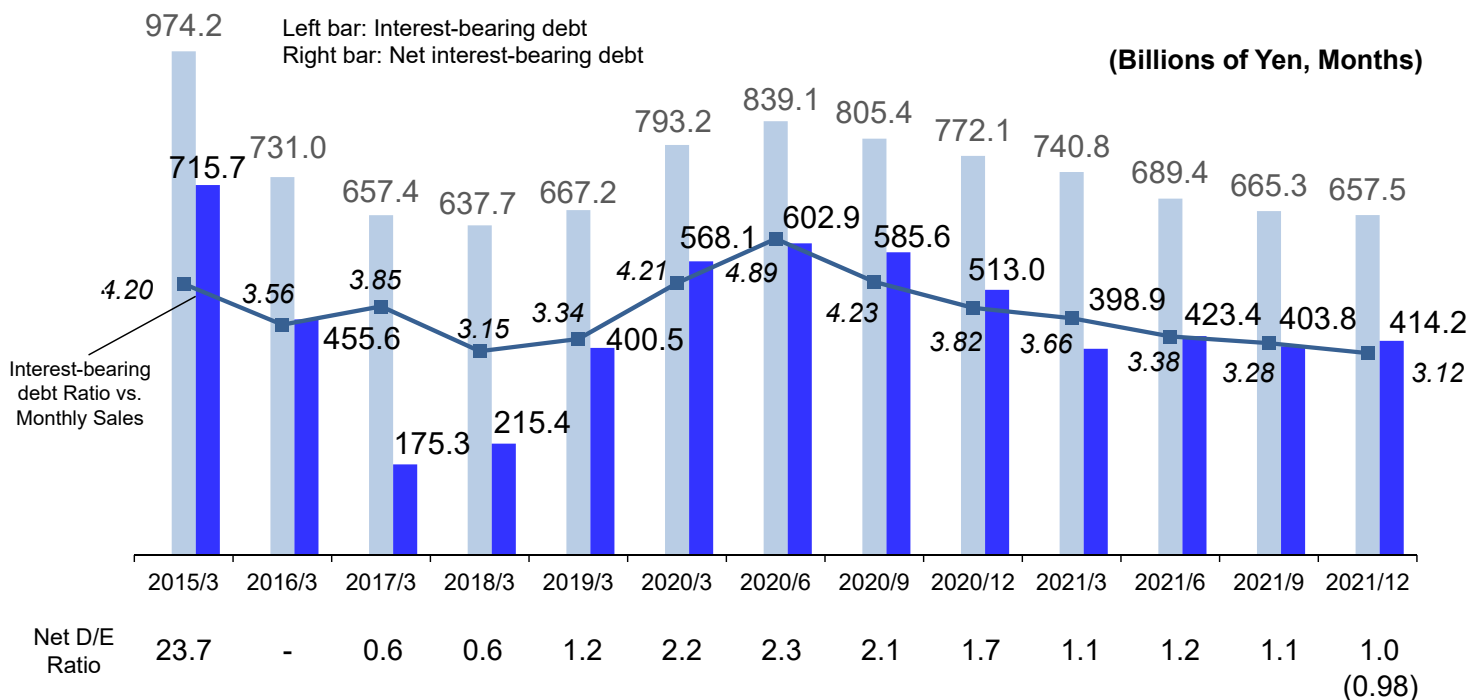
- The next slide discusses our inventory trends.
- Inventory as of the end of December 2021 amounted to 316.4 billion yen, up 4.8 billion yen compared with the end of September. Monthly sales ratio amounted to 1.50 months, down 0.04 months.

We made advanced arrangements for semiconductors and other items necessary for production activities in response to disruptions in the supply chain. At the same time, we secured inventory in consideration of the extended logistics timing to avoid sales disruptions.

- We will continue to monitor changes in the business environment and strive to manage inventory appropriately according to the situation.

Interest-Bearing Debt Trends

- Interest-bearing debt decreased 7.8 billion yen compared with the end of September 2021 to 657.5 billion yen; our ratio of interest-bearing debt to monthly sales decreased 0.16 months to 3.12 months
- Net interest-bearing debt* increased 10.4 billion yen to 414.2 billion yen
- Net D/E ratio was 0.98 times, a level lower than our current target of 1.0 times



*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 December 2021 amounted to 657.5 billion yen, a decrease of 7.8 billion yen compared with the end of September. The ratio of interest-bearing debt to monthly sales decreased 0.16 months to 3.12 months. Net interest-bearing debt amounted to 414.2 billion yen compared with 403.8 billion yen at the end of September.
- Net D/E ratio was 0.98 times, a level lower than our current target of 1.0 times.
- We will continue striving to balance business growth with financial structure improvement.

II . Fiscal 2021 Consolidated Financial Results Forecast and Dividends

- Next, let's look at our financial results forecasts and dividends for fiscal 2021.

Fiscal 2021 Consolidated Financial Results Forecast and Dividends

- We made revisions to our full-year forecast for fiscal 2021, reflecting our progress through Q3 and recent conditions
- We made a downward revision to operating profit due to higher-than-expected semiconductor prices, raw materials prices, and logistics costs, etc., caused by supply chain disruptions
- We made an upward revision to ordinary profit and bottom-line profit to reflect performance through Q3
- We plan to pay 40 yen per share in fiscal 2021 dividends, an increase of 10 yen compared to 30 yen per share dividend payment in fiscal 2020

| | (Billions of Yen) | | | | |
|--|-----------------------|------------------------|--------|----------|-------------------|
| | FY2020 | FY2021 | | Revision | Previous Forecast |
| | Results | Revised Forecast | Y on Y | | |
| Net Sales | 2,425.9 | 2,520.0 | +3.9% | -30.0 | 2,550.0 |
| Operating Profit (margin) | 83.1 (3.4%) | 92.0 (3.7%) | +10.7% | -9.0 | 101.0 (4.0%) |
| Ordinary Profit (margin) | 63.1 (2.6%) | 110.0 (4.4%) | +74.1% | +19.0 | 91.0 (3.6%) |
| Profit Attributable to Owners of Parent (margin) | 53.2 (2.2%) | 85.0 (3.4%) | +59.6% | +9.0 | 76.0 (3.0%) |
| Dividends Per Share | 30.0 | 40.0 | +10.0 | | |
| (Yen) | | | | | |
| Avg. Exchange Rate | | | | | |
| USD/JPY | 105.06 | | | | |
| Euro/JPY | 122.20 | | | | |

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- Please turn to the next slide.
- Considering our progress through Q3 and recent conditions, we revised our fiscal 2021 forecasts for net sales to 2,520.0 billion yen, operating profit to 92.0 billion yen, ordinary profit to 110.0 billion yen, and bottom-line profit to 85.0 billion yen.

We made a downward revision to operating profit due to soaring semiconductor prices, raw materials prices, and logistics costs at levels higher than expected, stemming from supply chain disruptions.

At the same time, we made an upward revision to ordinary profit and bottom-line to reflect performance through Q3.

- Based on steady growth in bottom-line profit, we plan to pay 40 yen per share in fiscal 2021 dividends, which will be an increase of 10 yen compared with the 30 yen per share dividend payment in fiscal 2020.

III. Supplementary Data

- Supplementary materials include a summary of net sales and operating profit by segment, as well as other information.
- As we explained today, we revised our financial results forecast, raising our forecast for bottom-line profit to reflect performance through Q3. While the business environment remains challenging, we intend to work as a united organization toward achieving our full-year financial results forecasts.
- Thank you for your attention.

Consolidated Financial Results

(Billions of Yen)

| | FY2020 | | | FY2021 | | |
|--|----------------|----------------|----------------|----------------|----------------------|----------------------|
| | First Half | Second Half | Fiscal Year | First Half | Second Half Forecast | Fiscal Year Forecast |
| Net Sales | 1,143.4 | 1,282.4 | 2,425.9 | 1,218.2 | 1,301.8 | 2,520.0 |
| Operating Profit | 29.6 | 53.4 | 83.1 | 39.0 | 53.0 | 92.0 |
| (margin) | (2.6%) | (4.2%) | (3.4%) | (3.2%) | (4.1%) | (3.7%) |
| Ordinary Profit | 29.8 | 33.2 | 63.1 | 50.8 | 59.2 | 110.0 |
| (margin) | (2.6%) | (2.6%) | (2.6%) | (4.2%) | (4.5%) | (4.4%) |
| Profit Attributable to Owners of Parent | 23.7 | 29.4 | 53.2 | 42.5 | 42.5 | 85.0 |
| (margin) | (2.1%) | (2.3%) | (2.2%) | (3.5%) | (3.3%) | (3.4%) |

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Consolidated Quarterly Financial Results

(Billions of Yen)

| | FY2020 | | | | FY2021 | | |
|--|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| | Q1 | Q2 | Q3 | Q4 | Q1 | Q2 | Q3 |
| Net Sales | 514.4 | 628.9 | 673.4 | 609.0 | 611.5 | 606.6 | 675.8 |
| Operating Profit | 9.8 | 19.7 | 32.3 | 21.1 | 18.3 | 20.6 | 24.8 |
| (margin) | (1.9%) | (3.1%) | (4.8%) | (3.5%) | (3.0%) | (3.4%) | (3.7%) |
| Ordinary Profit | 11.2 | 18.5 | 13.9 | 19.3 | 25.6 | 25.2 | 33.7 |
| (margin) | (2.2%) | (3.0%) | (2.1%) | (3.2%) | (4.2%) | (4.2%) | (5.0%) |
| Profit Attributable to Owners of Parent | 8.1 | 15.5 | 17.3 | 12.1 | 21.6 | 20.8 | 28.3 |
| (margin) | (1.6%) | (2.5%) | (2.6%) | (2.0%) | (3.5%) | (3.4%) | (4.2%) |

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S-3

Sales by Segment

(Billions of Yen)

| | FY2020 | | | FY2021 |
|-------------------|------------|-------------|-------------|------------|
| | First Half | Second Half | Fiscal Year | First Half |
| Smart Life | 212.0 | 243.4 | 455.5 | 223.9 |
| 8K Ecosystem | 227.9 | 265.0 | 493.0 | 276.0 |
| ICT | 162.5 | 180.9 | 343.4 | 162.1 |
| Brand Businesses | 602.6 | 689.4 | 1,292.0 | 662.1 |
| Display Device | 403.3 | 409.4 | 812.7 | 436.7 |
| Electronic Device | 194.2 | 234.3 | 428.5 | 170.0 |
| Device Businesses | 597.6 | 643.7 | 1,241.3 | 606.8 |
| Subtotal | 1,200.2 | 1,333.2 | 2,533.4 | 1,269.0 |
| Adjustments | -56.7 | -50.8 | -107.5 | -50.8 |
| Total | 1,143.4 | 1,282.4 | 2,425.9 | 1,218.2 |

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*Sales include inter-segment sales and transfers.

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Operating Profit by Segment

(Billions of Yen)

| | FY2020 | | | FY2021 |
|-------------------|-----------------|-----------------|-----------------|-----------------|
| | First Half | Second Half | Fiscal Year | First Half |
| Smart Life | 23.5 (11.1%) | 35.3 (14.5%) | 58.8 (12.9%) | 24.4 (10.9%) |
| 8K Ecosystem | 7.3 (3.2%) | 8.1 (3.1%) | 15.5 (3.1%) | 11.5 (4.2%) |
| ICT | 7.2 (4.5%) | 8.1 (4.5%) | 15.4 (4.5%) | 3.1 (1.9%) |
| Brand Businesses | 38.1 (6.3%) | 51.6 (7.5%) | 89.8 (7.0%) | 39.1 (5.9%) |
| Display Device | -3.5 (-0.9%) | 5.3 (1.3%) | 1.8 (0.2%) | 9.3 (2.1%) |
| Electronic Device | 4.7 (2.4%) | 7.9 (3.4%) | 12.6 (3.0%) | 0.3 (0.2%) |
| Device Businesses | 1.2 (0.2%) | 13.3 (2.1%) | 14.5 (1.2%) | 9.6 (1.6%) |
| Subtotal | 39.4 (3.3%) | 64.9 (4.9%) | 104.3 (4.1%) | 48.8 (3.8%) |
| Adjustments | -9.7 | -11.4 | -21.2 | -9.8 |
| Total | 29.6 (2.6%) | 53.4 (4.2%) | 83.1 (3.4%) | 39.0 (3.2%) |

*Figures within parentheses indicate operating margin.

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Quarterly Sales by Segment

(Billions of Yen)

| | FY2020 | | | | FY2021 | | |
|-------------------|--------|-------|-------|-------|--------|-------|-------|
| | Q1 | Q2 | Q3 | Q4 | Q1 | Q2 | Q3 |
| Smart Life | 95.3 | 116.7 | 117.6 | 125.7 | 111.0 | 112.9 | 107.3 |
| 8K Ecosystem | 100.5 | 127.4 | 127.4 | 137.6 | 137.5 | 138.5 | 148.9 |
| ICT | 84.5 | 77.9 | 83.1 | 97.7 | 80.2 | 81.8 | 82.2 |
| Brand Businesses | 280.4 | 322.1 | 328.2 | 361.2 | 328.7 | 333.3 | 338.5 |
| Display Device | 171.8 | 231.4 | 215.6 | 193.7 | 213.3 | 223.4 | 221.8 |
| Electronic Device | 86.6 | 107.5 | 157.1 | 77.2 | 96.5 | 73.5 | 139.5 |
| Device Businesses | 258.5 | 339.0 | 372.8 | 270.9 | 309.8 | 297.0 | 361.3 |
| Subtotal | 539.0 | 661.1 | 701.0 | 632.1 | 638.6 | 630.3 | 699.9 |
| Adjustments | -24.5 | -32.1 | -27.6 | -23.1 | -27.0 | -23.7 | -24.0 |
| Total | 514.4 | 628.9 | 673.4 | 609.0 | 611.5 | 606.6 | 675.8 |

*Sales include inter-segment sales and transfers.

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Quarterly Operating Profit by Segment

(Billions of Yen)

| | FY2020 | | | | FY2021 | | |
|-------------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| | Q1 | Q2 | Q3 | Q4 | Q1 | Q2 | Q3 |
| Smart Life | 10.1 (10.7%) | 13.3 (11.5%) | 16.8 (14.3%) | 18.5 (14.7%) | 12.6 (11.4%) | 11.8 (10.5%) | 11.6 (10.9%) |
| 8K Ecosystem | 0.5 (0.5%) | 6.8 (5.4%) | 5.1 (4.1%) | 3.0 (2.2%) | 4.1 (3.0%) | 7.3 (5.3%) | 6.8 (4.6%) |
| ICT | 4.5 (5.4%) | 2.7 (3.5%) | 3.7 (4.5%) | 4.3 (4.5%) | 2.1 (2.7%) | 0.9 (1.2%) | 2.1 (2.7%) |
| Brand Businesses | 15.2 (5.4%) | 22.9 (7.1%) | 25.7 (7.8%) | 25.8 (7.2%) | 18.9 (5.8%) | 20.2 (6.1%) | 20.7 (6.1%) |
| Display Device | -3.0 (-1.8%) | -0.4 (-0.2%) | 2.2 (1.1%) | 3.1 (1.6%) | 3.3 (1.6%) | 5.9 (2.7%) | 5.6 (2.5%) |
| Electronic Device | 1.4 (1.7%) | 3.2 (3.1%) | 9.7 (6.2%) | -1.8 (-2.3%) | 1.0 (1.1%) | -0.7 (-1.0%) | 5.6 (4.1%) |
| Device Businesses | -1.5 (-0.6%) | 2.8 (0.8%) | 12.0 (3.2%) | 1.2 (0.5%) | 4.3 (1.4%) | 5.2 (1.8%) | 11.2 (3.1%) |
| Subtotal | 13.6 (2.5%) | 25.7 (3.9%) | 37.7 (5.4%) | 27.1 (4.3%) | 23.3 (3.7%) | 25.5 (4.0%) | 31.9 (4.6%) |
| Adjustments | -3.8 | -5.9 | -5.4 | -6.0 | -4.9 | -4.8 | -7.1 |
| Total | 9.8 (1.9%) | 19.7 (3.1%) | 32.3 (4.8%) | 21.1 (3.5%) | 18.3 (3.0%) | 20.6 (3.4%) | 24.8 (3.7%) |

*Figures within parentheses indicate operating margin.

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Capital Investment / Depreciation and Amortization

(Billions of Yen)

| | FY2020 | | | FY2021 | | |
|--------------------------------------|-------------|-------------|-------------|-------------|----------------------|----------------------|
| | First Half | Second Half | Fiscal Year | First Half | Second Half Forecast | Fiscal Year Forecast |
| Capital Investment | 21.8 | 69.6 | 91.5 | 30.4 | 39.6 | 70.0 |
| Displays | 6.4 | 56.6 | 63.1 | 10.4 | 12.6 | 23.0 |
| Depreciation and Amortization | 29.6 | 33.9 | 63.5 | 31.2 | 48.8 | 80.0 |
| R&D Expenditures | 43.0 | 43.7 | 86.7 | 39.9 | 55.1 | 95.0 |

(Yen)

| Avg. Exchange Rate | FY2020 | | | FY2021 | |
|--------------------|---------------|---------------|---------------|---------------|----------------------|
| | First Half | Second Half | Fiscal Year | First Half | Second Half Forecast |
| US Dollar | 105.92 | 104.20 | 105.06 | 108.80 | 113.00 |
| Euro | 119.79 | 124.61 | 122.20 | 129.39 | 128.00 |

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Quarterly Capital Investment and Depreciation, etc.

(Billions of Yen)

| | FY2020 | | | | FY2021 | | |
|--------------------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| | Q1 | Q2 | Q3 | Q4 | Q1 | Q2 | Q3 |
| Capital Investment | 10.1 | 11.6 | 60.7 | 8.9 | 13.4 | 17.0 | 11.0 |
| Displays | 4.4 | 2.0 | 51.9 | 4.7 | 7.4 | 3.0 | 2.4 |
| Depreciation and Amortization | 15.2 | 14.4 | 16.4 | 17.4 | 15.3 | 15.9 | 16.8 |
| R&D Expenditures | 20.3 | 22.6 | 21.9 | 21.7 | 19.6 | 20.3 | 19.2 |

(Yen)

| Avg. Exchange Rate | FY2020 | | | | FY2021 | | |
|--------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| | Q1 | Q2 | Q3 | Q4 | Q1 | Q2 | Q3 |
| US Dollar | 106.62 | 105.22 | 103.51 | 104.90 | 108.49 | 109.11 | 112.71 |
| Euro | 116.97 | 122.61 | 123.03 | 126.18 | 130.45 | 128.33 | 128.57 |

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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.

*Segment Name Abbreviations:

Smart Life: SL 8K Ecosystem: 8K ICT: ICT Display Device: DD Electronic Device: ED

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