

# Summary of Consolidated Financial Results for the Year Ended March 31, 2023

May 11, 2023

## SHARP CORPORATION

Stock exchange listings: Tokyo  
 Code number: 6753  
 URL: <https://corporate.jp.sharp/> (English : <https://global.sharp/>)  
 Representative: Po-Hsuan Wu, President & Chief Executive Officer  
 Contact person: Hiroyuki Murase, General Manager, Head of Accounting Division, Finance and Administration Office, Corporate Strategic Planning and Control Group  
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Scheduled date of the Ordinary

General Meeting of Shareholders: June 27, 2023

Scheduled dividend payment date: —

Supplementary material: Yes

Financial results meeting: Yes (targeted at institutional investors and analysts)

(Monetary amounts are rounded down to the nearest million yen.)

## 1. Results for the Year Ended March 31, 2023

### (1) Financial Results

(The percentage figures represent the percentage of increase or decrease against the previous year.)

Millions of Yen

	Net Sales	Percent Change	Operating Profit (Loss)	Percent Change	Ordinary Profit (Loss)	Percent Change
Year Ended March 31, 2023	2,548,117	+2.1%	( 25,719 )	-	( 30,487 )	-
Year Ended March 31, 2022	2,495,588	+2.9%	84,716	+1.9%	114,964	+82.0%
	Profit (Loss) Attributable to Owners of Parent	Percent Change	Income (Loss) per Share (Yen)	Fully Diluted Income per Share (Yen)		
Year Ended March 31, 2023	( 260,840 )	-	( 407.31 )	-		
Year Ended March 31, 2022	73,991	+38.9%	121.14	-		

[Reference] Comprehensive income: March 31, 2023 ; (262,369) million yen — %  
 March 31, 2022 ; 123,752 million yen +17.8%

	Income (Loss) to Equity	Ordinary Profit (Loss) to Total Assets	Operating Profit (Loss) to Net Sales
Year Ended March 31, 2023	-78.7%	-1.6%	-1.0%
Year Ended March 31, 2022	18.4%	5.9%	3.4%

[Reference] Share of profit (loss) of entities accounted for using equity method: March 31, 2023 ; (20,401) million yen  
 March 31, 2022 ; 3,630 million yen

### (2) Financial Position

Millions of Yen

	Total Assets	Net Assets	Equity Ratio	Net Assets per Share (Yen)
As of March 31, 2023	1,772,961	222,362	11.8%	321.05
As of March 31, 2022	1,956,288	469,269	23.2%	743.70

[Reference] Equity: March 31, 2023 ; 208,450 million yen  
 March 31, 2022 ; 454,268 million yen

### (3) Cash Flows

Millions of Yen

	Cash Flows from Operating Activities	Cash Flows from Investing Activities	Cash Flows from Financing Activities	Cash and Cash Equivalents at End of Year
Year Ended March 31, 2023	14,746	( 40,967 )	( 18,483 )	206,612
Year Ended March 31, 2022	75,157	( 31,448 )	( 124,291 )	239,359

## 2. Dividends

	Dividends per Share (Yen)					Total Dividend Payment (Millions of Yen)	Pay-out Ratio (Consolidated)	Dividend to Net Assets (Consolidated)
	1st Quarter	2nd Quarter	3rd Quarter	Year-End	Annual			
Year Ended March 31, 2022	-	0.00	-	40.00	40.00	24,432	33.0%	6.1%
Year Ended March 31, 2023	-	0.00	-	0.00	0.00	0	0.0%	0.0%
Year Ending March 31, 2024 (Forecast)	-	-	-	-	-		-	

Note: The amount of dividend per share for the year ending March 31, 2024, has not been decided at the time of announcement.

## 3. Forecast of Financial Results for the Year Ending March 31, 2024

(The percentage figures represent the percentage of increase or decrease against the previous year.)

Millions of Yen

	Net Sales	Percent Change	Operating Profit	Percent Change	Ordinary Profit	Percent Change	Profit Attributable to Owners of Parent	Percent Change	Net Income per Share (Yen)
Year Ending March 31, 2024 (Forecast)	2,560,000	+0.5%	40,000	-	39,000	-	10,000	-	15.40

## 4. Other Information

(1) Changes in significant consolidated subsidiaries (Changes in specified subsidiaries involving changes in scope of consolidation): Yes

Newly added : 1 company

Sakai Display Products Corporation

Excluded : -

(2) Changes in accounting policies and accounting estimates, and restatement

1. Changes in accounting policies arising from revision of accounting standards: Yes

2. Changes arising from other factors: None

3. Changes in accounting estimates: None

4. Restatement: None

(3) Number of shares outstanding (common shares)

1. Number of shares outstanding (including treasury stock) as of March 31, 2023 ; 650,406,538 shares  
as of March 31, 2022 ; 611,952,858 shares

2. Number of shares of treasury stock as of March 31, 2023 ; 1,133,210 shares  
as of March 31, 2022 ; 1,131,071 shares

3. Average number of shares outstanding during the year ended March 31, 2023 ; 640,400,405 shares  
during the year ended March 31, 2022 ; 610,799,739 shares

Notes:

1. This financial release is not subject to audit.

2. This financial release contains certain statements about the future, which are based on information available and deemed reasonable to the Sharp Group at the time of announcement and are not the commitments made by Sharp.

3. Sharp will hold a financial results meeting on May 11, 2023. Financial materials distributed at the meeting will be posted on its website immediately after the meeting.

4. The accompanying consolidated financial statements are a translation of the consolidated financial statements of Sharp, which were prepared in accordance with accounting principles and practices generally accepted in Japan.

## Consolidated Financial Statements

### (1) Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2022	As of March 31, 2023
<b><u>Assets</u></b>		
Current assets		
Cash and deposits	287,361	262,058
Notes and accounts receivable - trade, and contract assets	487,160	438,057
Inventories	310,283	299,307
Other	148,165	90,713
Allowance for doubtful accounts	(2,342)	(3,049)
Total current assets	1,230,628	1,087,087
Non-current assets		
Property, plant and equipment		
Buildings and structures	689,458	695,180
Machinery, equipment and vehicles	1,191,042	1,181,932
Tools, furniture and fixtures	177,359	170,801
Land	83,711	76,467
Construction in progress	18,395	24,982
Other	48,109	57,352
Accumulated depreciation	(1,789,815)	(1,817,459)
Total property, plant and equipment	418,260	389,257
Intangible assets		
Software	25,954	23,322
Goodwill	8,439	6,284
Other	7,890	6,237
Total intangible assets	42,285	35,845
Investments and other assets		
Investment securities	171,392	216,207
Retirement benefit asset	10,293	6,214
Deferred tax assets	22,391	18,127
Other	63,595	22,667
Allowance for doubtful accounts	(2,559)	(2,445)
Total investments and other assets	265,114	260,770
Total non-current assets	725,660	685,873
<b>Total assets</b>	<b>1,956,288</b>	<b>1,772,961</b>
<b><u>Liabilities</u></b>		
Current liabilities		
Notes and accounts payable - trade	379,394	328,899
Electronically recorded obligations - operating	42,980	42,973
Short-term borrowings	54,300	163,896
Lease liabilities	2,283	18,966
Accrued expenses	106,398	114,638
Provision for bonuses	18,506	15,791
Provision for product warranties	19,750	12,165
Provision for loss on litigation	12,288	614
Provision for sales promotion expenses	9,586	4,120
Provisions for restructuring	174	1,024
Other	162,534	179,472
Total current liabilities	808,198	882,563
Non-current liabilities		
Long-term borrowings	572,270	542,727
Retirement benefit liability	73,630	72,019
Other	32,919	53,287
Total non-current liabilities	678,820	668,034
<b>Total liabilities</b>	<b>1,487,018</b>	<b>1,550,598</b>

(Millions of yen)

	As of March 31, 2022	As of March 31, 2023
<b>Net assets</b>		
Shareholders' equity		
Share capital	5,000	5,000
Capital surplus	108,623	148,929
Retained earnings	345,218	59,802
Treasury shares	(13,747)	(13,749)
Total shareholders' equity	445,094	199,982
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	20,169	26,469
Deferred gains or losses on hedges	1,835	475
Foreign currency translation adjustment	(9,085)	(2,266)
Remeasurements of defined benefit plans	(3,745)	(16,211)
Total accumulated other comprehensive income	9,173	8,467
Share acquisition rights	304	293
Non-controlling interests	14,696	13,618
<b>Total net assets</b>	469,269	222,362
<b>Total liabilities and net assets</b>	1,956,288	1,772,961

## (2) Consolidated Statements of Income / Consolidated Statements of Comprehensive Income

## - Consolidated Statements of Income

	(Millions of yen)	
	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
Net sales	2,495,588	2,548,117
Cost of sales	2,063,864	2,217,285
Gross profit	431,723	330,831
Selling, general and administrative expenses	347,006	356,550
Operating profit (loss)	84,716	(25,719)
Non-operating income		
Interest income	2,583	2,681
Dividend income	1,543	1,533
Rental income from non-current assets	3,465	4,396
Foreign exchange gains	18,947	17,223
Share of profit of entities accounted for using equity method	3,630	-
Investment income	9,263	6,907
Other	10,605	7,942
Total non-operating income	50,038	40,683
Non-operating expenses		
Interest expenses	4,448	9,296
Share of loss of entities accounted for using equity method	-	20,401
Other	15,342	15,753
Total non-operating expenses	19,790	45,451
Ordinary profit (loss)	114,964	(30,487)
Extraordinary income		
Gain on sale of non-current assets	5,124	7,126
Gain on receipt of donated non-current assets	1,329	-
Gain on sale of investment securities	631	17
Gain on step acquisitions	-	12,422
Gain on change in equity	-	261
Gain on bargain purchase	182	-
Gain on sale of businesses	5,725	-
Gain on reversal of share acquisition rights	-	4
Total extraordinary income	12,993	19,833
Extraordinary losses		
Loss on sale and retirement of non-current assets	588	1,269
Impairment losses	22,703	220,553
Loss on valuation of investment securities	77	138
Loss on sale of investment securities	7	-
Loss on sale of shares of subsidiaries and associates	268	-
Business restructuring expenses	-	4,451
Settlement payments	2,763	-
Provision for loss on litigation	11,747	1,976
Total extraordinary losses	38,156	228,389
Profit (loss) before income taxes	89,802	(239,043)
Income taxes - current	17,230	15,660
Income taxes - deferred	(1,184)	6,950
Total income taxes	16,045	22,610
Profit (loss)	73,756	(261,654)
Loss attributable to non-controlling interests	(234)	(814)
Profit (loss) attributable to owners of parent	73,991	(260,840)

- Consolidated Statements of Comprehensive Income

(Millions of yen)

	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
Profit (loss)	73,756	(261,654)
Other comprehensive income		
Valuation difference on available-for-sale securities	3,546	6,301
Deferred gains or losses on hedges	675	(1,345)
Foreign currency translation adjustment	29,409	14,868
Remeasurements of defined benefit plans, net of tax	13,996	(12,657)
Share of other comprehensive income of entities accounted for using equity method	2,368	(7,882)
Total other comprehensive income	49,996	(714)
Comprehensive income	123,752	(262,369)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	122,440	(261,546)
Comprehensive income attributable to non-controlling interests	1,312	(822)

## (3) Consolidated Statements of Changes in Net Assets

Fiscal year ended March 31, 2022

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	5,000	109,126	289,551	(14,053)	389,624
Changes during period					
Dividends of surplus			(18,324)		(18,324)
Profit (loss) attributable to owners of parent			73,991		73,991
Change in ownership interest of parent due to transactions with non-controlling interests		(216)			(216)
Purchase of treasury shares				(8)	(8)
Disposal of treasury shares		(286)		314	28
Net changes in items other than shareholders' equity					
Total changes during period	-	(503)	55,667	306	55,470
Balance at end of period	5,000	108,623	345,218	(13,747)	445,094

	Accumulated other comprehensive income					Share acquisition rights	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at beginning of period	16,617	1,086	(39,362)	(17,617)	(39,275)	297	13,493	364,139
Changes during period								
Dividends of surplus								(18,324)
Profit (loss) attributable to owners of parent								73,991
Change in ownership interest of parent due to transactions with non-controlling interests								(216)
Purchase of treasury shares								(8)
Disposal of treasury shares								28
Net changes in items other than shareholders' equity	3,551	748	30,277	13,872	48,449	7	1,202	49,659
Total changes during period	3,551	748	30,277	13,872	48,449	7	1,202	105,129
Balance at end of period	20,169	1,835	(9,085)	(3,745)	9,173	304	14,696	469,269

Fiscal year ended March 31, 2023

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	5,000	108,623	345,218	(13,747)	445,094
Cumulative effects of changes in accounting policies			(143)		(143)
Restated balance	5,000	108,623	345,075	(13,747)	444,951
Changes during period					
Dividends of surplus			(24,432)		(24,432)
Profit (loss) attributable to owners of parent			(260,840)		(260,840)
Increase by share exchanges		40,337			40,337
Change in ownership interest of parent due to transactions with non-controlling interests		(31)			(31)
Purchase of treasury shares				(2)	(2)
Net changes in items other than shareholders' equity					
Total changes during period	-	40,306	(285,273)	(2)	(244,968)
Balance at end of period	5,000	148,929	59,802	(13,749)	199,982

	Accumulated other comprehensive income					Share acquisition rights	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at beginning of period	20,169	1,835	(9,085)	(3,745)	9,173	304	14,696	469,269
Cumulative effects of changes in accounting policies								(143)
Restated balance	20,169	1,835	(9,085)	(3,745)	9,173	304	14,696	469,126
Changes during period								
Dividends of surplus								(24,432)
Profit (loss) attributable to owners of parent								(260,840)
Increase by share exchanges								40,337
Change in ownership interest of parent due to transactions with non-controlling interests								(31)
Purchase of treasury shares								(2)
Net changes in items other than shareholders' equity	6,300	(1,359)	6,818	(12,466)	(706)	(11)	(1,077)	(1,795)
Total changes during period	6,300	(1,359)	6,818	(12,466)	(706)	(11)	(1,077)	(246,763)
Balance at end of period	26,469	475	(2,266)	(16,211)	8,467	293	13,618	222,362



## (4) Consolidated Statements of Cash Flows

(Millions of yen)

	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
<b><u>Cash flows from operating activities</u></b>		
Profit (loss) before income taxes	89,802	(239,043)
Depreciation	72,397	89,799
Interest and dividend income	(4,126)	(4,214)
Interest expenses	4,448	9,296
Share of loss (profit) of entities accounted for using equity method	(3,630)	20,401
Investment expenses	(9,263)	(6,907)
Loss (gain) on sale and retirement of non-current assets	(4,535)	(5,857)
Gain on receipt of donated non-current assets	(1,329)	-
Impairment losses	22,703	220,553
Loss (gain) on valuation of investment securities	77	138
Loss (gain) on sale of investment securities	(623)	(17)
Loss (gain) on step acquisitions	-	(12,422)
Loss (gain) on change in equity	-	(261)
Gain on reversal of share acquisition rights	-	(4)
Loss (gain) on sale of businesses	(5,725)	-
Business restructuring expenses	-	4,451
Settlement payments	2,763	-
Provision for loss on litigation	11,747	1,976
Decrease (increase) in notes and accounts receivable - trade and contract assets	(6,873)	41,579
Decrease (increase) in accounts receivable - other	(5,362)	2,207
Decrease (increase) in inventories	(21,466)	45,354
Increase (decrease) in trade payables	6,100	(82,201)
Other, net	(45,324)	(44,484)
Subtotal	101,778	40,343
Interest and dividends received	8,001	8,078
Interest paid	(4,453)	(8,918)
Income taxes refund (paid)	(27,425)	(13,946)
Payments for Business Restructuring	-	(998)
Settlement paid	(2,742)	(9,813)
<b>Net cash provided by (used in) operating activities</b>	<b>75,157</b>	<b>14,746</b>
<b><u>Cash flows from investing activities</u></b>		
Payments into time deposits	(133,685)	(98,943)
Proceeds from withdrawal of time deposits	135,143	91,739
Purchase of property, plant and equipment	(47,590)	(43,565)
Proceeds from sale of property, plant and equipment	9,216	9,828
Purchase of intangible assets	(15,483)	(13,449)
Purchase of investment securities	(10,003)	(2,472)
Proceeds from sale of investment securities	2,440	191
Proceeds from sale of businesses	4,267	619
Other, net	24,246	15,083
<b>Net cash provided by (used in) investing activities</b>	<b>(31,448)</b>	<b>(40,967)</b>

(Millions of yen)

	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
<b><u>Cash flows from financing activities</u></b>		
Net increase (decrease) in short-term borrowings	(102,493)	25,854
Proceeds from long-term borrowings	15,648	1
Repayments of long-term borrowings	(14,513)	(10,908)
Purchase of shares of subsidiaries not resulting in change in scope of consolidation	(216)	-
Dividends paid	(18,312)	(24,425)
Other, net	(4,403)	(9,006)
<b>Net cash provided by (used in) financing activities</b>	<b>(124,291)</b>	<b>(18,483)</b>
<b>Effect of exchange rate change on cash and cash equivalents</b>	<b>27,148</b>	<b>9,859</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(53,433)</b>	<b>(34,845)</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>292,792</b>	<b>239,359</b>
<b>Increase in cash and cash equivalents resulting from share exchanges</b>	<b>-</b>	<b>2,099</b>
<b>Cash and cash equivalents at end of period</b>	<b>239,359</b>	<b>206,612</b>

## Segment Information

### 1. Year Ended March 31, 2022

#### i . Information regarding sales and income (loss) by reportable segment

	Millions of Yen
Net Sales	
Smart Life	
Customers	446,039
Intersegment	152
Total	446,192
8K Ecosystem	
Customers	557,945
Intersegment	9,745
Total	567,690
ICT	
Customers	316,807
Intersegment	7,210
Total	324,017
Display Device	
Customers	817,082
Intersegment	42,592
Total	859,674
Electronic Device	
Customers	357,713
Intersegment	39,120
Total	396,834
Adjustments	( 98,822 )
The amount presented in Consolidated Statements of Income	2,495,588
Segment Income	
Smart Life	48,291
8K Ecosystem	24,966
ICT	4,038
Display Device	20,316
Electronic Device	6,988
Adjustments* <sup>1</sup>	( 19,884 )
The amount presented in Consolidated Statements of Income* <sup>2</sup>	84,716

Notes: 1. Adjustments of segment income of (19,884) million yen include elimination of intersegment transactions of (4) million yen and corporate expenses not allocated to each reportable segment of (17,235) million yen. Corporate expenses are mainly attributable to basic R&D expenses and expenses related to parent company's functional groups.

2. Adjustments were made to reconcile segment income to operating profit presented in Consolidated Statements of Income.

2. Year Ended March 31, 2023

i . Information regarding sales and income (loss) by reportable segment

Millions of Yen

Net Sales	
Smart Life	
Customers	468,552
Intersegment	191
Total	468,743
8K Ecosystem	
Customers	585,428
Intersegment	6,404
Total	591,832
ICT	
Customers	311,351
Intersegment	14,521
Total	325,873
Display Device	
Customers	736,224
Intersegment	23,729
Total	759,953
Electronic Device	
Customers	446,560
Intersegment	29,028
Total	475,589
Adjustments	( 73,875 )
The amount presented in Consolidated Statements of Income	2,548,117
Segment Income (Loss)	
Smart Life	28,209
8K Ecosystem	13,421
ICT	( 5,530 )
Display Device	( 66,482 )
Electronic Device	14,799
Adjustments* <sup>1</sup>	( 10,137 )
The amount presented in Consolidated Statements of Income* <sup>2</sup>	( 25,719 )

- Notes: 1. Adjustments of segment income (loss) of (10,137) million yen include elimination of intersegment transactions of 0 million yen and corporate expenses not allocated to each reportable segment of (15,929) million yen. Corporate expenses are mainly attributable to basic R&D expenses and expenses related to parent company's functional groups.
2. Adjustments were made to reconcile segment income (loss) to operating profit presented in Consolidated Statements of Income.

## (Per Share Information)

Yen

	Year Ended March 31, 2022	Year Ended March 31, 2023
Net assets per share	743.70	321.05
Income (loss) per share	121.14	( 407.31 )
Fully diluted income per share	-	-
	Fully diluted income per share for the year ended March 31, 2022, is not provided. Although Sharp has dilutive shares, the shares in question have no dilutive effect.	Fully diluted income per share for the year ended March 31, 2023, is not provided. Although Sharp has dilutive shares, the shares in question are loss per share.

Notes: Income (loss) per share and fully diluted income per share were calculated on the following basis.

	Year Ended March 31, 2022	Year Ended March 31, 2023
Income (loss) per share		
Profit (loss) attributable to owners of parent (millions of yen)	73,991	( 260,840 )
Amounts not allocated to common shares (millions of yen)	-	-
Profit (loss) attributable to owners of parent (millions of yen)	73,991	( 260,840 )
Average number of common shares outstanding during each year (thousands of shares)	610,799	640,400
Common shares (thousands of shares)	610,799	640,400
Shares equivalent to common shares (thousands of shares)	-	-
Residual securities which do not dilute income per share	743 share options resolved by the board of directors on April 19, 2017 (First Share Options) 381 share options resolved by the board of directors on September 26, 2017 (Second Share Options) 875 share options resolved by the board of directors on August 28, 2018 (Third Share Options)	720 share options resolved by the board of directors on April 19, 2017 (First Share Options) 381 share options resolved by the board of directors on September 26, 2017 (Second Share Options) 875 share options resolved by the board of directors on August 28, 2018 (Third Share Options)