



- Thank you very much for joining us today at our FY2025 Financial Results Briefing, despite your busy schedules.
- We would also like to express our sincere appreciation for your continued support of our public relations and investor relations activities.
- Now, I would like to proceed with the presentation, following the materials provided.

FY2025 Financial Summary

- First, I will begin with an overview of our FY2025 financial summary.

- In the Brand Business, operating profit exceeded that of the previous fiscal year although sales decreased due to intensifying competition and decline in demand in fiscal 2025.
- In the Display Device, the operating loss significantly narrowed despite a decline in sales.
- In all company, profits improved although sales decreased. Sales, operating profit, and ordinary profit exceeded the company's forecasts, and bottom-line profit increased over 30% compared to the previous fiscal year, which had benefited from substantial extraordinary income.
- The financial position also improved significantly, with the equity ratio rising from 10.5% to 19.6%. Syndicated loan was successfully refinanced, and our credit rating was upgraded.
- Major structural reforms were mostly completed as of fiscal 2025. Initiatives for growth will be strengthened in fiscal 2026.

- The Brand Business recorded a decrease in sales due to an increasingly competitive business environment and weak demand in fiscal year 2025. However, operating profit increased year on year.
- In the Display Device, sales declined, but the operating loss was significantly reduced.
- As a result, total consolidated net sales decreased, while profits improved. Compared with our forecast, net sales, operating profit, and ordinary profit exceeded the disclosed figures. Although bottom-line profit was below the forecast, it still recorded over 30% growth year on year, reflecting the comparison with the previous fiscal year, which benefited from a significant gain in extraordinary income.
- In addition, the equity ratio improved significantly, rising from 10.5% to 19.6%, demonstrating a substantial strengthening of our financial position. We also successfully refinanced syndicated loan at the end of March, and our credit ratings have steadily improved.
- With fiscal year 2025, we have reached a major milestone in our structural reforms. From fiscal year 2026 onward, we will further strengthen our initiatives toward growth.

Summary of Consolidated Results

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(Billions of Yen)	FY2024	FY2025		Fiscal Year Forecast(Feb.)	Difference
	Fiscal Year	Fiscal Year	Y on Y		
Net Sales	2,160.1	1,892.8	-12.4%	1,870.0	+22.8
Operating Profit (margin)	27.3 (1.3%)	48.5 (2.6%)	+77.6%	45.0 (2.4%)	+3.5
Ordinary Profit (margin)	17.6 (0.8%)	57.9 (3.1%)	+228.3%	52.0 (2.8%)	+5.9
Bottom-line Profit (margin)	36.0 (1.7%)	47.4 (2.5%)	+31.4%	53.0 (2.8%)	-5.6
Dividends Per Share	0 yen	0 yen			
Avg. Exchange Rate					
USD/JPY	152.57	150.78			
EUR/JPY	163.73	174.79			

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- Next, I will explain the financial results for fiscal year 2025.
- Net sales decreased 12.4% year on year to ¥1,892.8 billion.
- As for profits, operating profit was ¥48.5 billion, ordinary profit was ¥57.9 billion, and bottom-line profit was ¥47.4 billion.
- Regarding dividends, since the non-consolidated basis remains in a state of negative net worth, we regret to say that no dividend will be paid.

Sales and Operating Profit by Segment

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In the Brand Business, **profit growth was maintained** despite a sales decline amid a challenging environment.
In the Display Device, **operating losses narrowed**, driven by improvements in automotive, mobile* and industrial applications

(Billions of Yen)	Sales			Operating Profit		
	FY2024	FY2025		FY2024	FY2025	
	Fiscal Year	Fiscal Year	Y on Y	Fiscal Year	Fiscal Year	Y on Y
Smart Life	643.5	597.9	-7.1%	21.9 (3.4%)	28.4 (4.8%)	+29.5%
Smart Workplace	836.3	833.8	-0.3%	59.6 (7.1%)	57.5 (6.9%)	-3.5%
Brand Business	1,479.9	1,431.8	-3.3%	81.6 (5.5%)	86.0 (6.0%)	+5.4%
Display Device	452.2	423.5	-6.4%	-26.9 (-6.0%)	-18.2 (-4.3%)	-
Subtotal	1,932.1	1,855.3	-4.0%	54.7 (2.8%)	67.7 (3.7%)	+23.9%
Others	257.1	47.0	-81.7%	-7.8 (-3.0%)	0.6 (1.5%)	-
Total(Incl. Adjustment)	2,160.1	1,892.8	-12.4%	27.3 (1.3%)	48.5 (2.6%)	+77.6%

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* e.g., XR devices and smartwatches

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- Next, I will explain sales and operating profit by segment.
- In the Smart Life segment, sales decreased due to sluggish air conditioner market conditions in ASEAN and intensified competition in washing machines in Japan. However, operating profit increased, supported by the effects of structural reforms in the TV business and the Energy Solution business.
- In the Smart Workplace segment, PC sales increased as we successfully captured last-minute demand driven by special demand associated with the transition to Windows 11 and rising memory prices. On the other hand, smartphone sales declined due to intensified competition, resulting in a slight decrease in sales and a decline in operating profit. However, excluding one-time income recorded in the previous fiscal year, operating profit increased on a real basis.
- As a result, for the Brand Business as a whole, sales decreased, while operating profit increased.
- In Display Device segment, sales declined due to further progress in asset-light initiatives. However, improvements in automotive and mobile and industrial applications contributed to a significant reduction in operating losses.

Summary of Non-Operating Income(Expenses) / Extraordinary Income (Losses) /Taxes

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(Billions of Yen)	FY2024	FY2025			Difference Y on Y
	Fiscal Year	Q1-Q3	Q4	Fiscal Year	
Operating Profit	27.3	40.9	7.5	48.5	+21.2
Non-operating Income (Expenses)	-9.6	+6.7	+2.6	+9.3	+18.9
Interest expenses	-10.2	-6.4	-2.2	-8.6	+1.6
Foreign exchange gain (losses)	-12.6	+1.4	+1.9	+3.4	+16.0
Share of profit (loss) of entities accounted for using equity method	+7.9	+6.0	+1.8	+7.9	+0.0
Ordinary Profit	17.6	47.7	10.2	57.9	+40.3
Extraordinary Income (Losses)	+35.9	+29.7	-24.3	+5.4	-30.5
Gain on sale of investment securities	+28.2	+0.0	-	+0.0	-28.2
Gain on sale of non-current assets	+78.0	+33.8	+2.2	+36.1	-41.9
Business restructuring expenses	-29.6	-3.0	-16.8	-19.8	+9.8
Impairment losses	-54.3	-3.5	-2.5	-6.0	+48.3
Provision for product warranties	-	-	-7.0	-7.0	-7.0
Pretax Income	53.6	77.4	-14.0	63.3	+9.7
Income Taxes, etc.	-17.5	-9.9	-6.0	-15.9	+1.6
Bottom-line Profit	36.0	67.5	-20.0	47.4	+11.4

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- Next, I will outline non-operating income and expenses, extraordinary income and losses, and income taxes.
- In the fourth quarter, we recorded extraordinary losses, including business structural reform expenses related to the Display Device business. In addition, as device-related costs, we recorded a provision for product warranties.

Equity and IB debt improved significantly following the previous fiscal year.

The increase in inventories was mainly due to advance procurement of materials, including memory

(Billions of Yen)	FY2024	FY2025	
	End of Mar.	End of Mar.	Difference Y on Y
Equity	153.3	279.9	+126.6
(Equity Ratio)	(10.5%)	(19.6%)	(+9.1pt)
Inventories	242.0	250.3	+8.3
(Ratio vs Monthly Sales)	(1.34)	(1.59)	(+0.25)
Interest-Bearing Debt	567.6	492.5	-75.1
Net Interest-Bearing Debt	288.3	254.1	-34.2
(Net Debt to Equity Ratio)	(1.9times)	(0.9times)	(-1.0pt)
Free Cash Flow	+102.1	+71.5	-30.6
Exchange Rate, End of Period			
USD/JPY	149.53	159.93	
EUR/JPY	162.03	183.44	

- Next, I will explain the key financial indicators.
- Following the previous fiscal year, equity and interest-bearing debt showed significant improvement.
- Although inventories increased year on year, this was mainly due to the advance procurement of memory. Inventory levels remain appropriate and aligned with our future sales plans.

In the first year of the Medium-Term Management Plan,
the **establishment of a foundation for regrowth** steadily progressed

1. A milestone reached
in asset-light transformation
of the Device Business

- ✓ Transferred the Camera Module Business and Semiconductor Business to Hon Hai
- ✓ Decided to cease production at the Kameyama No.2 plant

2. Progress in improving profitability
and strengthening the financial
foundation

- ✓ Achieved a significant increase in operating profit
- ✓ Improved the equity ratio to 19.6%
- ✓ Refinanced the syndicated loan, strengthening financial institutions' support framework

3. Laying the groundwork for regrowth

- ✓ Expanded investments in the Brand Business
- ✓ Strengthened the organizational capacity for new businesses development
- ✓ Established a new corporate slogan, "In step with your future."

- Finally, I would like to present a summary of fiscal year 2025.
- Fiscal year 2025, the first year of our Medium-Term Management Plan, marked a year in which we completed a major milestone in the asset-light transformation of the Device business, while steadily making progress in improving profitability, strengthening our financial base, and laying the groundwork for future growth. As a result, fiscal year 2025 was a year in which we steadily advanced the foundation for our regrowth.

Strategic Direction toward Regrowth

- Next, I will explain our strategic direction toward regrowth.

- ✓ **Creation of growth businesses is essential to achieve regrowth, as the business portfolio is centered on mature businesses**
 - Direction of new industrial domains has been indicated but remain in the early stage and have not yet reached monetization.

- ✓ **The Brand Business, which forms the profit base, needs to be rebuilt, as it has shifted to a sales decline while the operating loss in Device Business narrowed**
 - Competition intensified faster than initially anticipated, such as the expansion of Chinese companies.
 - Business expansion in overseas markets with significant growth potential has been insufficient.

- ✓ **Headwinds to profitability are intensifying due to the deteriorating external environment**
 - Rising prices of materials such as memory and SSD
 - Rise in crude oil prices due to instability in the Middle East
 - Rising interest rates and the continued weakness of the yen

- First, I would like to share our current assessment.

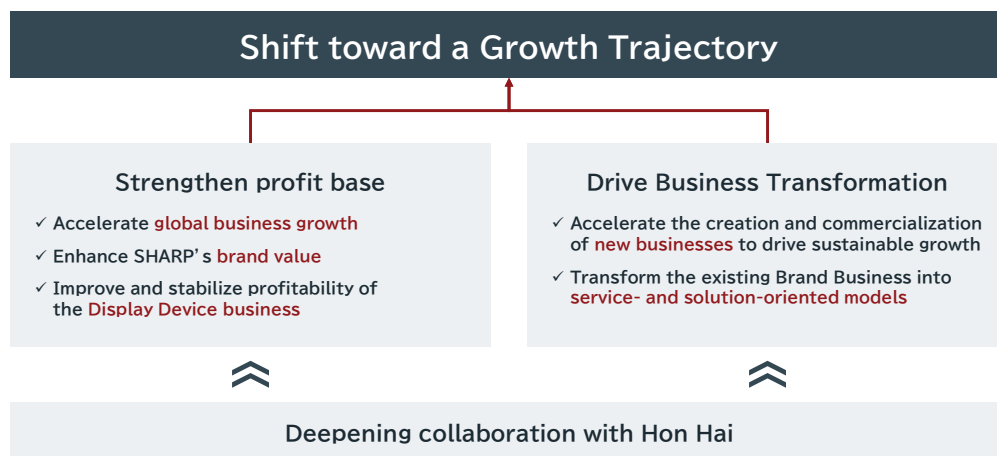
- As explained earlier, through our initiatives to date, we have made steady progress in building the foundation for regrowth, and we have reached a stage where we can feel a certain level of confidence in this progress.

- On the other hand, looking at our current business portfolio, profits are still primarily delivered from mature domains. In order to achieve sustainable growth going forward, it is essential to quickly establish new growth businesses that will drive future growth.

- In addition, against the backdrop of the rise in Chinese competitors, the competitive environment is intensifying at a faster pace than initially anticipated. As a result, the Brand Business, which forms our profit base, has shifted to a sales decline, making business recovery a pressing issue.

- Furthermore, with regard to the external environment, headwinds to profitability have intensified due to rising prices of memory and SSD, instability in the Middle East, as well as higher interest rates and the continued depreciation of the yen.

Accelerate efforts to strengthen the profit base and drive business transformation, shifting toward a growth trajectory, while maintaining the strategic framework of Medium-Term Management Plan



- As outlined above, while there are still challenges to achieving our regrowth, we will continue to maintain the strategic framework of our current Medium-Term Management Plan. At the same time, we will further accelerate business transformation, including the creation of new businesses and shift toward service- and solution-oriented business models, also working to further strengthen our existing profit base, which underpins future growth.
- In addition, we plan to deepen our collaboration with Hon Hai more than ever before. By building a more win-win relationship, we aim to further enhance the speed of our respective initiatives. Through these efforts, challenges will be addressed one by one, aiming for a return to growth and a transition to a sustainable growth trajectory.

FY2026 Forecast

- Next, I will explain our full-year performance forecast for fiscal year 2026.

- **Rise in Memory / SSD price** will be basically reflected to selling prices
- **Rise in resin and fuel prices** caused by the deteriorating situation in the Middle East are not reflected in the current forecast as it is difficult to quantify its impact at this stage
- **Exchange rate: USD 1=JPY 156**
(approximately ¥5 depreciation from the previous fiscal year)

- To begin with, I will explain our assumptions regarding the deterioration of the external environment, which form the basis of this performance forecast.
- As shown on this slide, rise in memory and SSD price will, in principle, be addressed through price pass-through.
- With regard to rising resin and fuel prices resulting from the worsening situation in the Middle East, the outlook remains uncertain at this point. Therefore, these factors are not reflected in this performance forecast. Any future cost increases will be mitigated through price pass-through, cost reductions, and expense control, in order to minimize the impact. The exchange rate assumption is set at ¥156 per U.S. dollar, representing a yen depreciation of approximately ¥5 compared with the previous fiscal year.

Brand Business

- Smart Life
- Smart Workplace

✓ Deliver steady profit **while navigating deteriorating external environment**

[Strengthen profit base]

✓ Expand **service- and solution-oriented offering**

[Business transformation]

Display Device

✓ Complete structural reforms and put **profitability** within reach

[Strengthen profit base]

- Achieve operating profitability in "continuing businesses", including the Kameyama No.1 and Hakusan plants

New Businesses

✓ Proceed to **execution phase** toward commercialization

[Business transformation]

- Next, I will explain the key initiatives for fiscal year 2026.
- In the Brand Business, we will respond appropriately to the deterioration of the external environment and steadily generate profit, while working to expand service- and solution-oriented businesses.
- In the Display Device Business, we will complete the structural reforms and achieve profitability in the continuing businesses, including the Kameyama No.1 plant and the Hakusan plant.
- In addition, we will accelerate our efforts in the new businesses currently under development and aim to proceed them into the execution phase as quickly as possible.

(Billions of Yen)	FY2025	FY2026	
	Fiscal Year	Fiscal-Year Forecast	Y on Y
Net Sales	1,892.8	1,770.0	-6.5%
Operating Profit (margin)	48.5 (2.6%)	49.0 (2.8%)	+0.9%
Ordinary Profit (margin)	57.9 (3.1%)	39.0 (2.2%)	-32.7%
Bottom-line Profit (margin)	47.4 (2.5%)	42.0 (2.4%)	-11.5%
Avg. Exchange Rate			
USD/JPY	150.78	156.00	
EUR/JPY	174.79	183.00	

- Next, I will present our full-year performance forecast for fiscal year 2026.
- We forecast net sales of ¥1,770.0 billion, operating profit of ¥49.0 billion, ordinary profit of ¥39.0 billion, and bottom-line profit of ¥42.0 billion.
- Operating profit is expected to increase slightly, while ordinary profit is expected to decline due to the absence of one-time factors recorded in the previous year and higher interest expenses associated with rising interest rates. Bottom-line profit is also expected to decline.

Aim for **company-wide profit growth** by improving profitability in Display Device, while Brand Business declines from a deteriorating external environment and the normalization following Windows 11 replacement demand

(Billions of Yen)	Sales			Operating Profit		
	FY2025	FY2026		FY2025	FY2026	
	Fiscal Year	Fiscal Year	Y on Y	Fiscal Year	Fiscal Year	Y on Y
Smart Life	597.9	664.0	+11.0%	28.4 (4.8%)	41.0 (6.2%)	+44.1%
Smart Workplace	833.8	779.0	-6.6%	57.5 (6.9%)	39.0 (5.0%)	-32.3%
Brand Business	1,431.8	1,443.0	+0.8%	86.0 (6.0%)	80.0 (5.5%)	-7.0%
Display Device	423.5	323.0	-23.7%	-18.2 (-4.3%)	-6.0 (-1.9%)	-
Subtotal	1,855.3	1,766.0	-4.8%	67.7 (3.7%)	74.0 (4.2%)	+9.2%
Total (Incl. Adjustment)	1,892.8	1,770.0	-6.5%	48.5 (2.6%)	49.0 (2.8%)	+0.9%
Avg. Exchange Rate						
USD/JPY	150.78	156.00				
EUR/JPY	174.79	183.00				

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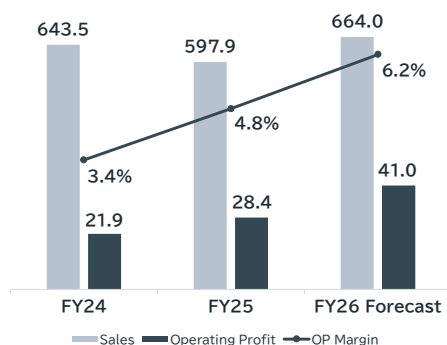
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- This slide shows the segment forecasts.
- In the Brand Business, profit is expected to decline due to the impact of the deterioration of the external environment and the reaction to the one-time demand associated with the Windows 11 transition. At the same time, we will work to improve profitability in the Display Device Business, and at the company-wide basis, we aim to increase profit from the previous fiscal year.

Aim for sales and profit growth by accelerating **global expansion** and **value-added enhancement** amid a challenging competitive and external environment

Performance trends

(Billions of Yen)



FY2025

Decrease in sales/
Increase in profit

- Decrease in air conditioner sales due to sluggish market conditions caused by unfavorable weather in ASEAN
- Decrease in sales in the domestic drum-type washing machine business amid intensifying competition
- + Continued expansion of the U.S. cooking appliances business
- + Expansion of B2B business, including ice slurry refrigerators and commercial cooking equipment
- + Benefits from structural reforms in TV and energy solution business

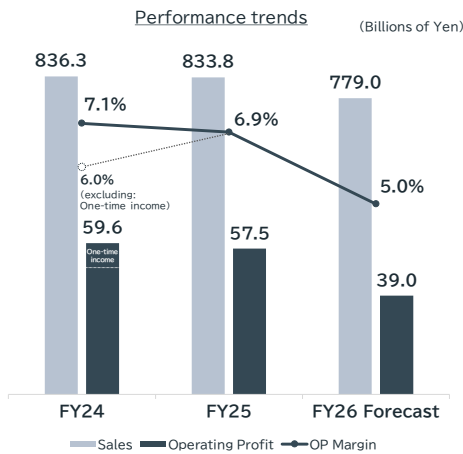
FY2026

Increase in sales/
Increase in profit

- + Expansion of air conditioner sales in ASEAN
- + Expansion of sales in the domestic air conditioner business, driven by a strengthened product lineup and front-loaded demand associated with revised energy efficiency standards
- + Recovery of sales in the domestic drum-type washing machine business, led by high value-added products in the compact model segment (sales have been favorable since the launch of a new product in the second half of previous fiscal year)
- + Expansion of the EPC business in the energy solutions segment

- Next, I will explain the outlook by segment.
- First, in the Smart Life segment, amid a challenging competitive and external environment, we aim to achieve increases in both sales and profit by focusing on the acceleration of global expansion and higher value-added products.
- Specifically, we plan to expand sales, primarily in the air conditioner business in ASEAN and Japan, as well as the laundry business.

Expand IT services for office and solution-oriented businesses to accelerate the shift towards Smart Business, despite profit pressure from the normalization following Windows 11 replacement demand and rising prices of memory and SSD



FY2025

Flat in sales/ Increase in profit (excluding FY2024 one-time income)

- + PC sales increased significantly by capturing rush demand associated with the shift to Windows 11 and increasing prices of memory and SSD
- + Office solutions business grew, due to continuing growth by IT services in Europe
- + Print services for convenience stores in Japan remained steady
- Mobile communications business sales decreased significantly due to competitors' aggressive sales activities

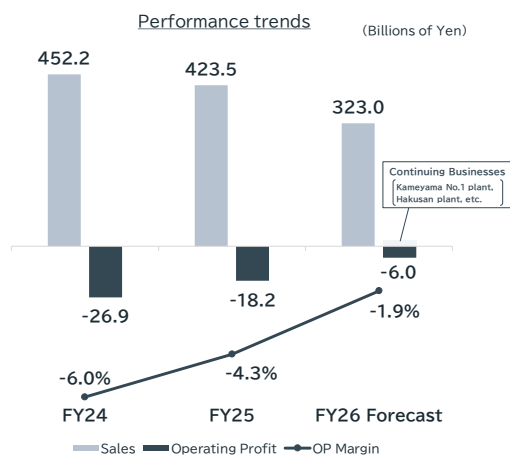
FY2026

Decrease in sales/ Decrease in profit

- Significant decline in PC business due to rebound decline from special demand (B2B market in Japan : down more than 30% from previous year)
 - > Will maintain market leader position in unit share
- Minimize impact from increasing memory and SSD prices through measures such as increasing selling prices
- + Ongoing growth in office solutions business
- + Expand sales of information display business by obtaining orders centered by dvLED in Europe and America

- Next, in the Smart Workplace segment, sales and profit are expected to decline due to a reaction to the one-time demand associated with the Windows 11 transition, as well as higher costs resulting from increases in memory and SSD prices. At the same time, we will continue to drive growth in the office solutions business. In the information display business, we will work to secure project-based orders in Europe and the United States, primarily centered on dvLED, thereby expanding our solution-oriented business and accelerating the transformation toward Smart Business model.

Achieve **profitability** in “**continuing businesses**” including the Kameyama No.1 and Hakusan plants, by expanding sales in strategic focus areas such as automotive, mobile, and industrial applications



FY2025

Decrease in sales/
Losses narrowed

- + Improved product mix for automotive applications
- + Expanded sales for mobile and industrial applications at Hakusan plant from second half onward
- + Reduced fixed costs through optimization of production capacity at the Kameyama No.2 plant and Mie No.3 plant (June 2024)

FY2026

Decrease in sales/profitability
in continuing businesses

[Continuing businesses]

- + Start supply to a certain automobile customer from the Kameyama No.1 plant (from the second half of FY2026)
- + Continue expanding sales of high value-added products from Hakusan plant

[Kameyama No.2 plant]

※ Cessation timing is expected to be delayed in response to customer demand (from August to December)

- Deterioration in model mix during the production cessation process (expected operating loss of approximately ¥9.0 billion at the plant)

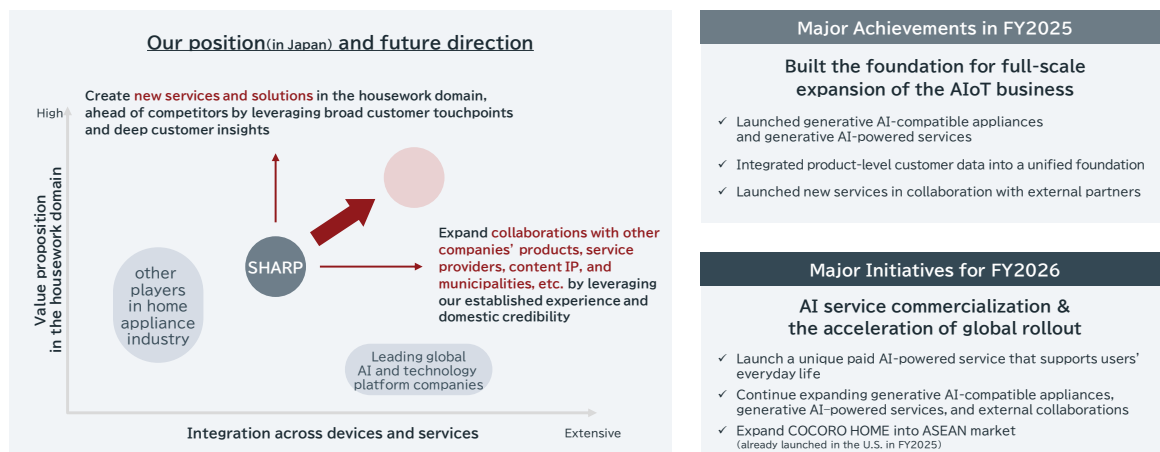
- Next, in the Display Device segment, we will work to expand sales in our focus areas, namely automotive panels and mobile and industrial panels, and aim to achieve profitability in the continuing businesses, including the Kameyama No.1 Plant and the Hakusan Plant.
- With regard to the Kameyama No.2 Plant, in response to customer demand, the timing of cessation is expected to be delayed from the originally planned August to December. In this performance forecast, we assume an operating loss of approximately ¥9.0 billion at this plant.

Progress Updates on Major Initiatives

- Finally, I will explain the progress updates on major initiatives.

Pursue AIoT value enhancement through two key drivers

“Value proposition in the housework domain” × “Integration across devices and services”



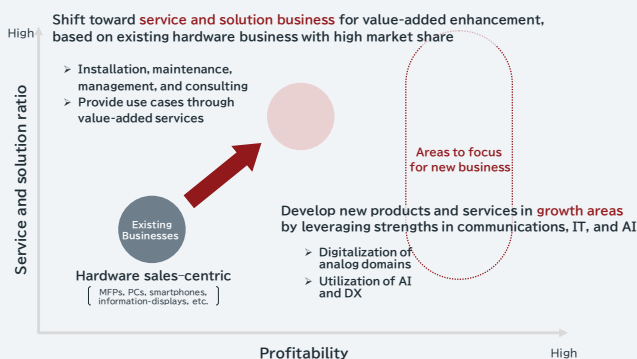
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- First, I will explain the strengthening of the AIoT business in the Smart Life segment.
- In the AIoT business, we aim to enhance value along two axes: value-added proposals in the housework domain and Integration of devices and services.
- To this end, in the previous fiscal year, we successively launched generative AI-enabled appliances and generative AI-powered services, while also advancing the integration of customer data, thereby building a foundation for the full-scale expansion of AIoT business.
- In the current fiscal year, by leveraging this foundation, we will work toward the commercialization of paid AI-powered services and accelerate the global rollout of AIoT.

Transform business structure that delivers both high profitability and high growth by **value-added enhancement** of existing businesses and **creating new businesses in growth areas**

Our position and future direction



Major Achievements in FY2025

Steady progress in business transformation & the acquisition of growth partners

- ✓ Continuing growth of IT services for office
- ✓ Acquired two growth partners as subsidiaries
 - Synapse Innovation Co., Ltd. (Japan), provider of cloud ERP solutions (Mar. 2026)
 - Securecom Ltd. (New Zealand), a provider of managed IT services (Mar. 2026)

Major Initiatives for FY2026

Further accelerate business transformation

- ✓ Materialize synergies with the two subsidiaries acquired in FY25
 - Deploy ERP and managed IT services across the existing customer base
- ✓ Strengthen proposals for the manufacturing industry in the robotics business and expand consulting services
- ✓ Promote PoC initiatives for satellite communications business targeting commercialization in FY27.

- Next, I will explain the transformation toward Smart Business in the Smart Workplace segment.
- To drive this transformation, we are shifting from our existing hardware businesses, where we hold strong market shares, to service- and solution-oriented businesses, with the aim of enhancing value-added offerings. At the same time, we are working to create new businesses in growth areas.
- In the previous fiscal year, office IT services grew steadily, and through M&A, we were able to acquire two growth partners as subsidiaries.
- In the current fiscal year, we will materialize synergies with these two companies, further expand service- and solution-oriented businesses, and steadily advance new business initiatives, thereby accelerating business transformation.

Steadily build **tangible results** in each business domain,
while keeping a clear focus on **significant growth opportunities**

Business Domains		Development Stage			Progress and Key Milestones
		Feasibility Assessment	Entry Preparation	Launch/Expansion	
① AI server					➢ Developing concrete business plans and schemes, aiming for entry into the Japanese market in FY2027
② EV					➢ Assessing the entry plan considering current market trends
③ Robotics & Industrial DX					➢ In addition to business expansion in the logistics field, PoC are being conducted with partner companies in fields such as railways, construction sites, and infrastructure maintenance , leveraging strengths in imaging-related technology
④ Space	Satellite Communications				➢ Conducting PoC with satellite communication operator toward a business launching in FY2027 , while leading the industry in R&D of 5G-NTN(5G-based non-terrestrial network) technology
	Space-Qualified PV				➢ Advancing customer acquisition by leveraging proven track record and broad product lineup with the background of expected market growth amid the expansion of LEO satellite communications

- Next, I will explain the creation of new businesses that will drive future growth.
- As outlined in our Medium-Term Management Plan announced last year, we are advancing initiatives focused on four areas where significant business opportunities in the future are expected:
AI server, EV, Robotics and Industry DX, and Space.
- With regard to AI server, we are accelerating the development of concrete business plans and business schemes, with the goal of entering the Japanese market by fiscal year 2027.

Business Briefing will be held as follows

(Details will be announced separately)

Date & Time	:	Tuesday, June 9 1:00 p.m. – 3:45 p.m. JST (max)
Venue	:	SHARP Shibaura Office + Online
Agenda	:	•Initiatives by business segment •Progress of new business development
Participants	:	Institutional investors, securities analysts, and media representatives

- Details of these new business initiatives, as well as further information by business segment, will be explained in more detail by the respective persons in charge at the Business Briefing scheduled for June 9.



- This concludes my presentation.
- While the current business environment remains very challenging, in this fiscal year we will once again strengthen our profit base, which underpins future growth, and steadily advance business transformation with a strong sense of speed, as we work to build a new path toward a return to growth.
- Thank you very much for your attention.