

Fiscal 2017 Review

Sharp Corporation and Consolidated Subsidiaries for the Years Ended March 31

Fiscal 2017 Earnings

During fiscal 2017, the economy of Japan experienced a moderate recovery, driven by improvements in corporate earnings and employment, as well as by recoveries in personal consumption and exports.

The economy overseas likewise experienced moderate growth, with the U.S. continuing to recover and the EU improving gradually. Meanwhile, China showed signs of its own ongoing recovery.

Throughout the year, Sharp continued to implement structural reforms, growing our business under the twin banners of *People-Oriented IoT* and *an 8K Ecosystem*, according to the strategies in our fiscal 2017-2019 medium-term management plan.

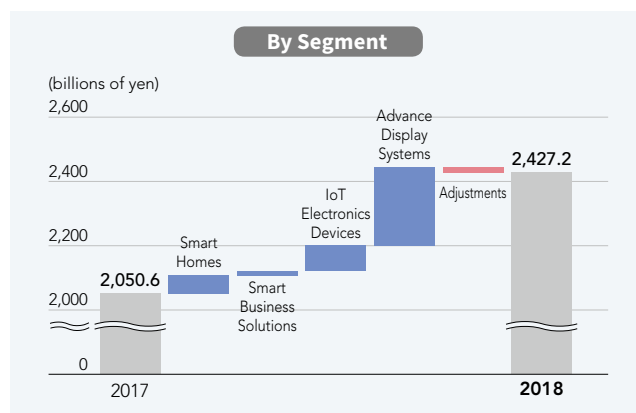
As a result of our efforts, consolidated net sales for fiscal 2017 rose to ¥2,427.2 billion, up 18.4% year on year, as our Advance Display Systems and all other segments reported higher sales.

Major gains in our Advance Display Systems segment helped drive operating profit higher to ¥90.1 billion (44.3% increase year on year), while ordinary profit rose to ¥89.3 billion (256.3% increase). Profit attributable to owners of parent amounted to ¥70.2 billion, compared to a loss of ¥24.8 billion in the prior year.

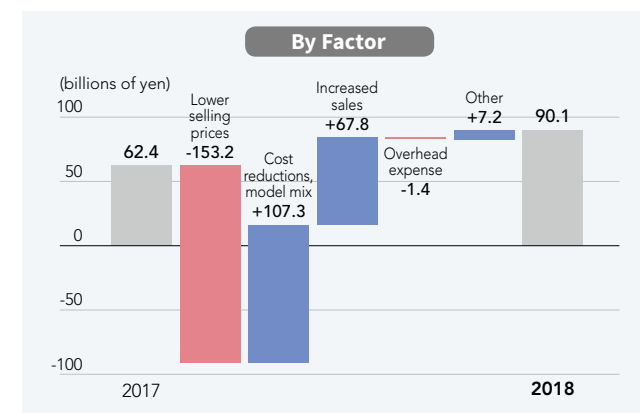
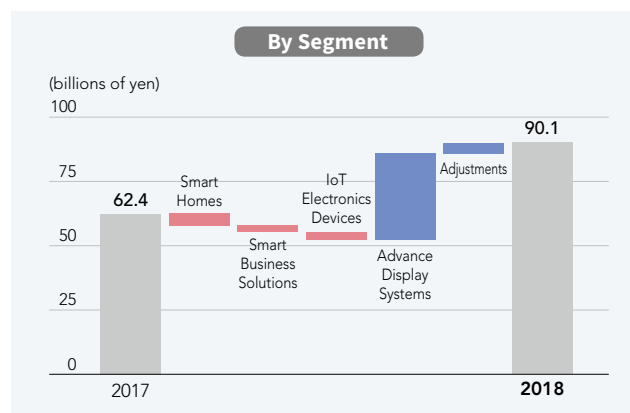
Considering our earnings improvement, financial condition, and future business growth, we declared dividends for the first time in six years.

- ✓ Fiscal 2017 earnings improved significantly year on year
- ✓ Net sales increased 18% vs. prior year, with all segments reporting revenue growth
- ✓ Profits improved steadily throughout the year as the company recorded profits for four consecutive quarters in a single fiscal year for the first time since 2007, prior to the Lehman shock
- ✓ Considering our earnings, financial condition, and future business growth, Sharp has decided to pay dividends for the first time in six years

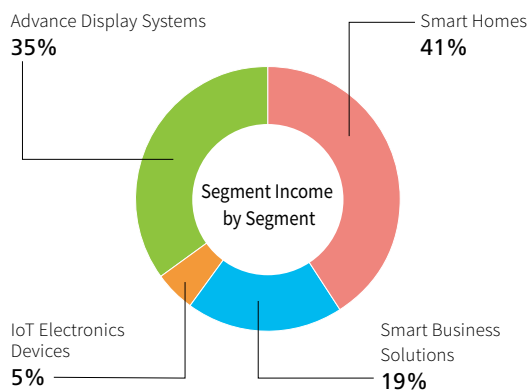
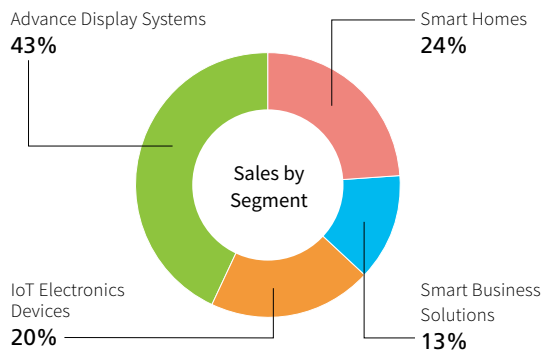
Analysis of Changes in Net Sales



Analysis of Changes in Operating Profit



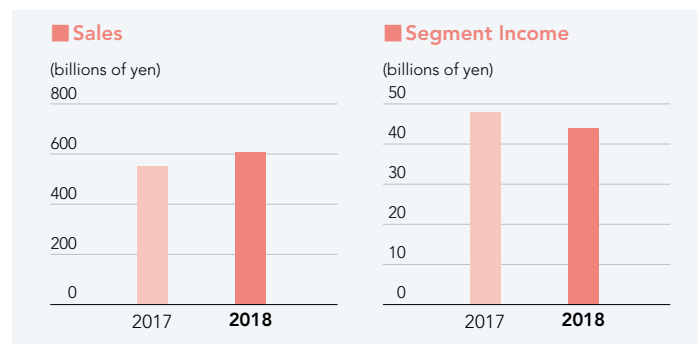
Sales, Segment Income by Segment



- Sales figures include internal sales between segments. The percentage of sales in pie charts has been calculated accordingly.
- Segment income figures are the amounts before adjustments for intersegment trading. The percentage of segment income in pie charts has been calculated accordingly.
- Effective for the year ended March 31, 2018, the Company has changed its segment classification. Figures for the previous year have been adjusted to reflect the new classification.

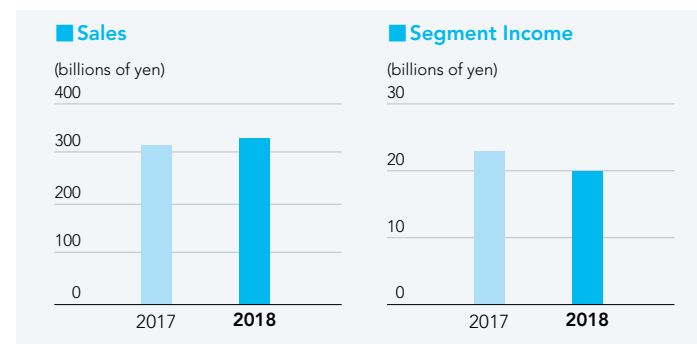
Smart Homes

Mobile phones, electronic dictionaries, calculators, facsimiles, telephones, network control units, refrigerators, superheated steam ovens, microwave ovens, small cooking appliances, air conditioners, washing machines, vacuum cleaners, air purifiers, electric fans, dehumidifiers, humidifiers, electric heaters, Plasmacluster Ion generators, beauty appliance, solar cells, storage battery



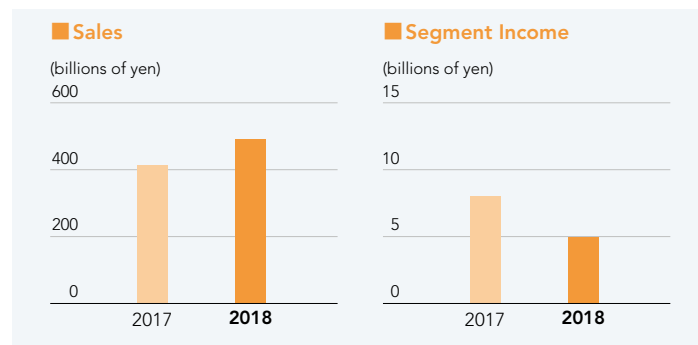
Smart Business Solutions

POS systems, electronic cash registers, commercial projectors, information displays, digital MFPs (multi-function printers), options and consumables, software, FA equipment, ultrasonic cleaners



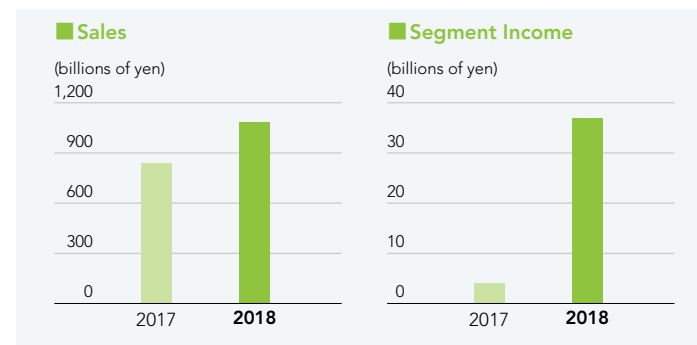
IoT Electronics Devices

Camera modules, camera module production facilities, sensor modules, proximity sensors, dust sensors, CCD/CMOS sensors, laser diodes, automotive cameras



Advance Display Systems

LCD color televisions, Blu-ray Disc recorders, IGZO LCD modules, CG-Silicon LCD modules, amorphous silicon LCD modules



Fiscal 2017-2019 Medium-Term Management Plan

On May 26, 2017, we published our fiscal 2017-2019 medium-term management plan, defining our business vision for *Changing the World with 8K and AIoT*.

In pursuit of this business vision, we are transforming ourselves into a company that offers *People-Oriented IoT* and an *8K Ecosystem*, forming the foundation upon which we will build over the next 100 years.

We are engaging in transformations across our businesses, our arenas of competition, and our operations. More specifically, these transformations consist of (1) Reinventing our business model; (2) Expanding our business globally; and (3) Strengthening our business infrastructure. We underpin these three transformations through stronger unique technologies and more robust human resources.

• Reinvent business model

To our traditional hardware-based business model we are adding services, platforms, and ecosystems in general to transform ourselves into a company that provides new value to our customers.

• Expand business globally

Our products business will focus mainly on overseas markets as we expand our lineup across existing and new categories, while growing our customer base and adding new sales channels. Meanwhile, our devices business will leverage new, innovative technologies to grow our customer base. These initiatives will be key drivers of our global expansion.

• Strengthen business infrastructure

For the past several years, we have followed three policies to introduce comprehensive structural reform into our group (review all business processes, raise awareness of costs, reward good performance). Under these policies we have achieved a ground-up structural reform, limiting expenditures across the board and building an efficient operational structure. Sharp will continue to pursue structural reform, establishing a more muscular management foundation that stands steadfast against any change in the business environment.

AIoT is a registered trademark of Sharp Corporation.

