

Fiscal 2019 Review

Sharp Corporation and Consolidated Subsidiaries for the Years Ended March 31

Fiscal 2019 Earnings

The world economy was in an extremely severe state through the end of the fiscal year, in part due to the global COVID-19 pandemic.

Amid these circumstances, Sharp has as a unified company pursued transformation in seeking to realize our business vision of Changing the World with 8K+5G and AIoT. We have created unique products, devices, and technologies centered on 8K+5G and AIoT, strengthened our related services and solutions businesses, and established a global five-axis model. At the same time, we are improving our management structure and have been able to secure final net profit.

Sharp fiscal 2019 net sales amounted to ¥2,271.2 billion, a 5.4% decrease year-on-year as our Smart Life and 8K Ecosystem segments saw lower sales despite sales growth in ICT. Though Smart Life reported higher segment income, this figure was lower in the 8K Ecosystem and ICT segments leading to a 37.3% year-on-year decrease in operating profit to ¥52.7 billion. Ordinary profit amounted to ¥55.5 billion, a 19.5% decrease year-on-year, while profit attributable to owners of parent fell 71.8% to ¥20.9 billion, partly owing to recording loss on valuation of investment securities of ¥16.1 billion. Negative impact from COVID-19 was approximately ¥178.0 billion on net sales, and approximately ¥36.0 billion on operating profit.

Further, we purchased and canceled all 108,000 outstanding Class A shares, which entail dilution risk, preferred dividends, and other considerations, to improve our equity qualitatively.

Based on a comprehensive consideration of our financial situation and future business development, we paid a dividend of ¥18 per share of common stock.

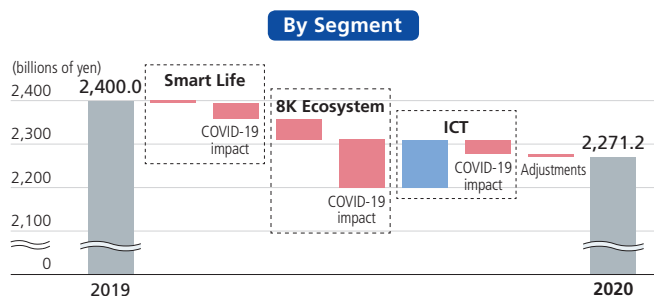
World economy in an extremely severe state through the end of the fiscal year, partly due to COVID-19

Sharp, as a unified company, pursues transformation

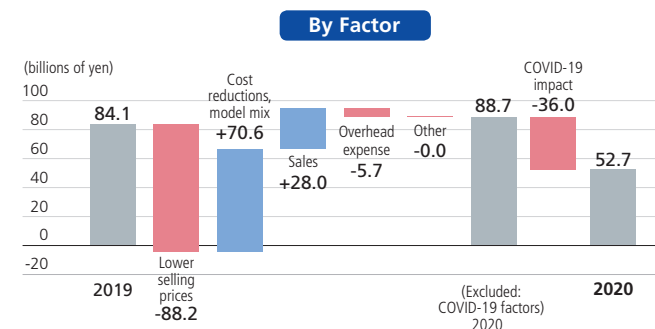
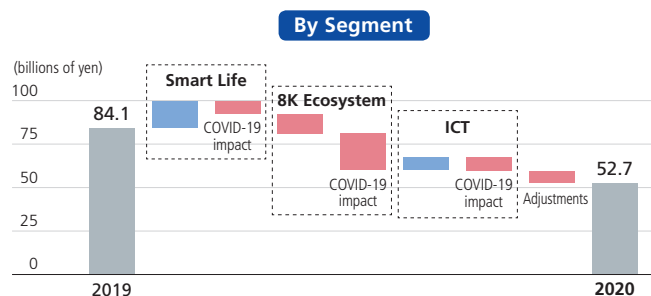
Secures final net profit for the full year

Purchased and canceled all outstanding Class A shares, improving equity qualitatively

Analysis of Changes in Net Sales



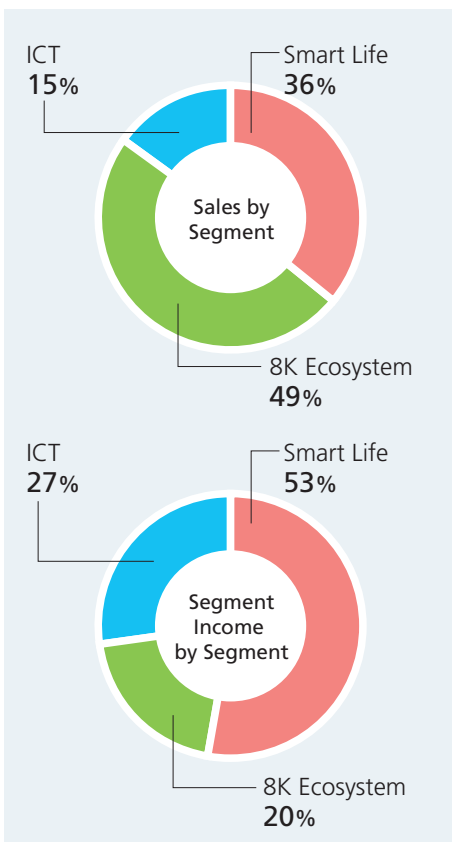
Analysis of Changes in Operating Profit



AIoT is a registered trademark of Sharp Corporation.

Fiscal 2019 Review

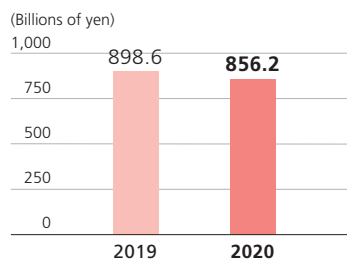
Sales, Segment Income by Segment



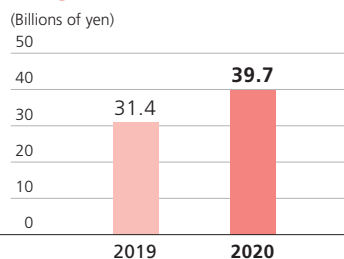
- Sales figures include internal sales between segments. The percentage of sales in pie charts has been calculated accordingly.
- Segment income figures are amounts before adjustment for inter-segment trading. The percentage of segment income in pie charts has been calculated accordingly.
- Effective for the consolidated fiscal year ended March 31, 2020, the Company has changed its segment classification. Figures for the consolidated fiscal year ended March 31, 2019 have been adjusted to reflect the new classification.

Smart Life

Sales



Segment Income



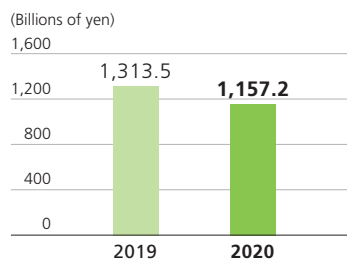
Refrigerators, superheated steam ovens, microwave ovens, small cooking appliances, air conditioners, washing machines, vacuum cleaners, air purifiers, electric fans, dehumidifiers, humidifiers, electric heater, Plasmacluster Ion generators, beauty appliances, electronic dictionaries, calculators, telephones, network control units, solar cells, storage batteries, camera modules, sensor modules, proximity sensors, dust sensors, wafer foundries, CMOS/CCD sensors, laser diodes

Fiscal 2019 Performance

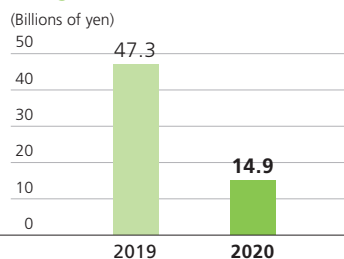
Although sales increased for white goods such as air conditioners, refrigerators, and washing machines, sales of devices decreased due to impact from COVID-19 and other factors, resulting in a decrease in Smart Life sales. Segment income increased due in part to cost reduction measures.

8K Ecosystem

Sales



Segment Income



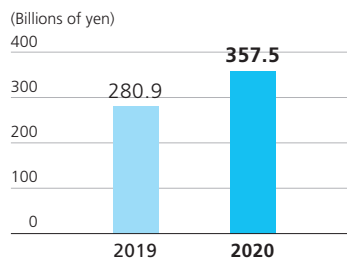
LCD color televisions, Blu-ray Disc recorders, audio equipment, display modules, automotive cameras, Digital MFPs (multi-function printers), information displays, commercial projectors, POS systems, FA equipment, options and consumables, software

Fiscal 2019 Performance

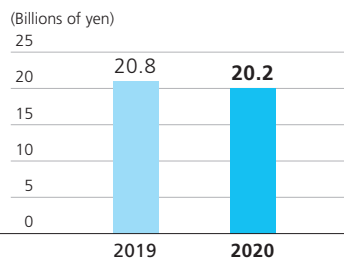
Though displays for PCs and tablets saw growth, sales declined for LCD TVs and displays for use in smartphones and automobiles, resulting in decreased 8K Ecosystem sales. Falling sales and other factors resulted in decreased segment income.

ICT

Sales



Segment Income



Mobile phones, personal computers

Fiscal 2019 Performance

Though sales in mobile communication business fell, positive impacts such as from addition of Dynabook Inc. as a consolidated subsidiary led to increased sales in ICT. Falling sales in mobile communication business resulted in decreased segment income.