

# Fiscal 2021 Review

Sharp Corporation and Consolidated Subsidiaries for the Fiscal Year Ended March 31

## Fiscal 2021 Earnings

The global economy recovered gradually thanks to advancements in COVID-19 vaccinations, but as in the fiscal year, conditions remained challenging due to ongoing supply chain disruptions stemming from the shortage of semiconductors, soaring raw materials prices, and rising logistics costs. Toward the end of the fiscal year, we saw the emergence of the situation in Ukraine in addition to lockdowns in China. Further, exchange rates fluctuated dramatically, stemming from differences in financial policies among countries.

Under these circumstances, Sharp is focusing on three initiatives in the interest of establishing SHARP as a powerful corporate brand: (1) Establish business structure centering brand businesses; (2) Realize our business vision; and (3) Strengthen financial basis and return to corporate bond market.

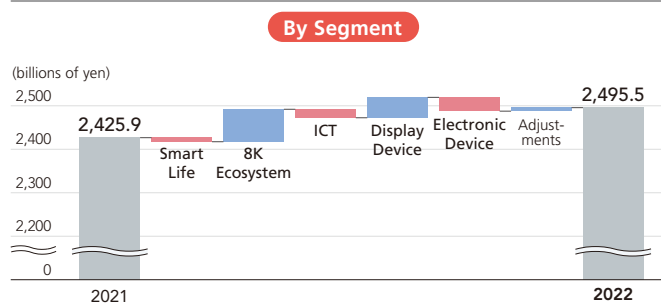
Consolidated net sales for fiscal 2021 amounted to 2,495.5 billion yen, up 2.9% year on year, as the 8K Ecosystem and Display Device businesses recorded sales growth, even as the Smart Life, ICT, and Electronic Device businesses experienced a decline in sales. Operating profit amounted to 84.7 billion yen, an increase of 1.9% year on year, due to higher 8K Ecosystem and Display Device performance, despite operating profit decreased year on year in Smart Life, ICT, and Electronic Device businesses. Ordinary profit was 114.9 billion yen, up 82.0%, and profit attributable to owners of parent amounted to 73.9 billion yen, a 38.9% increase year on year. Despite a challenging business environment, both net sales and profit exceeded the previous fiscal year.

Profit attributable to owners of parent increased and our efforts to create free cash flow and reduce interest-bearing debt resulted in NET DER as of the end of fiscal 2021 falling to 0.8 times (1.1 times at the end of the previous fiscal year). Accordingly, we achieved our short-term target of NET DER below 1.0 times. In addition, our equity ratio rose to 23.2% (compared with 18.2% as of the end of the previous fiscal year).

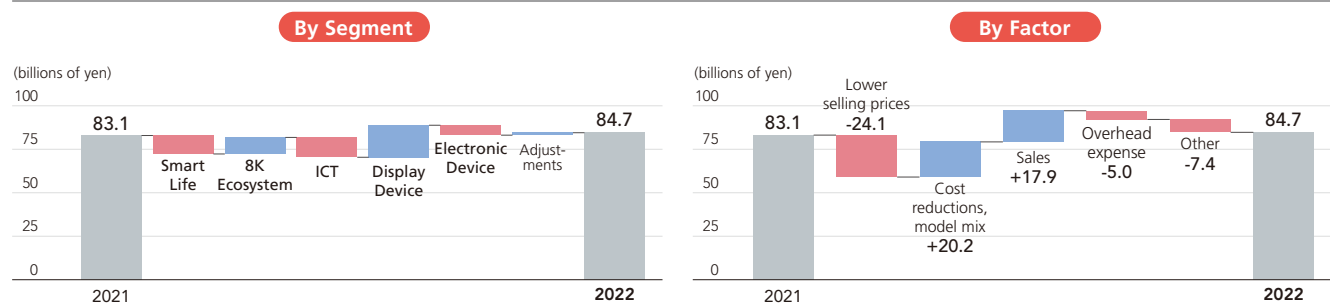
Considering our financial situation and future business development in a comprehensive manner, we declared an annual dividend of 40 yen per share, an increase of 10 yen per share compared with the previous fiscal year.

- Although the global economy recovered gradually, challenging conditions remained
- We moved forward with measures to establish SHARP as a powerful corporate brand
- Both net sales and profit outperformed the previous year
- We continued to improve our financial condition, achieving our NET DER target of 1.0 times or less
- Dividends exceeded fiscal 2020 levels

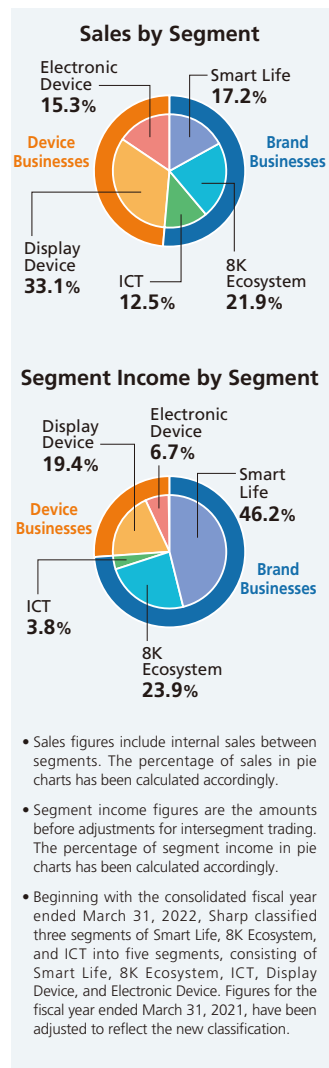
### Analysis of Changes in Net Sales



### Analysis of Changes in Operating Profit



## Sales, Segment Income by Segment



Smart Life	Brand Businesses		ICT		Device Businesses	
	Smart Life	8K Ecosystem	ICT	Display Device	Electronic Device	
<b>■ Sales (billions of yen)</b>						
2021	455.5	493.0	343.4	812.7	428.5	
2022	446.1	567.6	324.0	859.6	396.8	
Sales in the energy solutions business increased, driven by the EPC business in Japan. Despite increased sales of cooking appliances and washing machines overseas, white goods business sales declined, mainly due to a decrease in domestic sales of Plasmacluster products compared to the previous year, when sales of Plasmacluster products grew substantially.						
Sales of televisions rose in Europe, Asia, and Japan, and other regions, and sales in the MFP business increased in the Americas, Europe, and Japan. We also benefited from the consolidation of Sharp NEC Display Solutions, Ltd. as a subsidiary.						
PC business for enterprise customers rose in the U.S., Asia, and China. However, the business was impacted negatively by a lull in PC demand that had been driven by the GIGA School concept in Japan. Further, semiconductor bottlenecks in the mobile communication business and PC business, as well as the lockdowns in China, had a negative impact on performance.						
Although sales of small-size panels for smartphones declined, sales of medium-size panels for automotive, PCs, tablets, and other applications increased.						
Production was impacted negatively by COVID-19 and other factors.						
<b>■ Segment Income (billions of yen)</b>						
2021	58.8	15.5	15.4	1.8	12.6	
2022	48.2	24.9	4.0	20.3	6.9	
Soaring prices for semiconductors and raw materials, as well as changes in product mix and other factors had an impact on performance.						
In addition to the increase in sales, progress in higher value-added TVs, and a recovery in print volume in the MFP business were other positive factors.						
In addition to the decrease in sales, higher prices for semiconductors and other factors had a negative impact on performance.						
This result was mainly due to improved model mix, as the sales ratio of medium-size panels rose.						
Performance suffered the negative impact of a decrease in sales and other factors.						
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 appliances, electronic dictionaries, calculators, telephones, network control units, solar cells, storage batteries						
Color televisions, Blu-ray disc recorders, audio equipment, digital MFPs (multi-function printers), information displays, commercial projectors, POS system equipment, FA equipment, options and consumables, office-related solutions services, software, face masks						
Mobile phones, PCs, tablet devices, routers						
Display modules, automotive cameras						
Camera modules, sensor modules, proximity sensors, dust sensors, wafer foundries, CMOS and CCD sensors, laser diodes						