

# Summary of Consolidated Financial Results for the Year Ended March 31, 2022

May 11, 2022

## SHARP CORPORATION

Stock exchange listings: Tokyo  
 Code number: 6753  
 URL: <https://corporate.jp.sharp/> (English : <https://global.sharp/>)  
 Representative: J.W. Tai, Chairman  
 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 23, 2022

Scheduled dividend payment date: June 8, 2022

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, 2022

### (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	Percent Change	Ordinary Profit	Percent Change
Year Ended March 31, 2022	2,495,588	+2.9%	84,716	+1.9%	114,964	+82.0%
Year Ended March 31, 2021	2,425,910	+7.2%	83,112	+61.5%	63,175	+25.9%

	Profit Attributable to Owners of Parent	Percent Change	Income per Share (Yen)	Fully Diluted Income per Share (Yen)
Year Ended March 31, 2022	85,738	+61.0%	140.37	-
Year Ended March 31, 2021	53,263	+288.0%	87.20	-

[Reference] Comprehensive income: March 31, 2022 ; 135,500 million yen +29.0%  
 March 31, 2021 ; 105,060 million yen +261.9%

Note: Fully diluted income per share is not provided. Although Sharp has dilutive shares, the shares in question have no dilutive effect.

	Income to Equity	Ordinary Profit to Total Assets	Operating Profit to Net Sales
Year Ended March 31, 2022	21.0%	5.9%	3.4%
Year Ended March 31, 2021	17.6%	3.4%	3.4%

[Reference] Share of profit (loss) of entities accounted for using equity method: March 31, 2022 ; 3,630 million yen  
 March 31, 2021 ; (16,703) million yen

### (2) Financial Position

Millions of Yen

	Total Assets	Net Assets	Equity Ratio	Net Assets per Share (Yen)
As of March 31, 2022	1,956,288	481,017	23.8%	762.93
As of March 31, 2021	1,927,226	364,139	18.2%	573.59

[Reference] Equity: March 31, 2022 ; 466,015 million yen  
 March 31, 2021 ; 350,348 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, 2022	75,157	( 31,448 )	( 124,291 )	239,359
Year Ended March 31, 2021	204,642	( 14,114 )	( 76,724 )	292,792

## 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, 2021	-	0.00	-	30.00	30.00	18,324	34.4%	6.0%
Year Ended March 31, 2022	-	0.00	-	40.00	40.00	24,432	28.5%	6.0%
Year Ending March 31, 2023 (Forecast)	-	-	-	-	-		-	

Note: The amount of dividend per share for the year ending March 31, 2023, has not been decided at the time of announcement.

## 3. Forecast of Financial Results for the Year Ending March 31, 2023

We plan to disclose our forecast of financial results for the year ending March 31, 2023 approximately one month from now, as we are reexamining our business plans, etc., under a new management structure and in light of the impact of the lockdowns in China, situation in Ukraine, etc.

## 4. Other Information

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

Newly added : 1 company

Xia Yan Technology (ShanDong) Co., Ltd.

Excluded : 1 company

Lianyungang Kantatsu Fine Technology Co., Ltd.

(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: Yes

4. Restatement: None

(3) Number of shares outstanding (common shares)

1. Number of shares outstanding (including treasury stock) as of March 31, 2022 ; 611,952,858 shares  
as of March 31, 2021 ; 611,952,858 shares

2. Number of shares of treasury stock as of March 31, 2022 ; 1,131,071 shares  
as of March 31, 2021 ; 1,151,858 shares

3. Average number of shares outstanding during the year ended March 31, 2022 ; 610,799,739 shares  
during the year ended March 31, 2021 ; 543,533,714 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. As stated in 3. Forecast of Financial Results for the Year Ending March 31, 2023, we have not yet established financial results forecasts.

4. Sharp will hold a financial results meeting on May 11, 2022. Financial materials distributed at the meeting will be posted on its website immediately after the meeting.

5. 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, 2021	As of March 31, 2022
<b>Assets</b>		
Current assets		
Cash and deposits	341,917	287,361
Notes and accounts receivable - trade	457,649	-
Notes and accounts receivable - trade, and contract assets	-	487,160
Inventories	263,066	310,283
Other	130,098	148,165
Allowance for doubtful accounts	(3,961)	(2,342)
Total current assets	1,188,770	1,230,628
Non-current assets		
Property, plant and equipment		
Buildings and structures	675,865	689,458
Machinery, equipment and vehicles	1,162,607	1,191,042
Tools, furniture and fixtures	190,705	177,359
Land	83,600	83,711
Construction in progress	31,822	18,395
Other	48,726	48,109
Accumulated depreciation	(1,754,840)	(1,789,815)
Total property, plant and equipment	438,486	418,260
Intangible assets		
Software	26,557	25,954
Other	18,557	16,330
Total intangible assets	45,114	42,285
Investments and other assets		
Investment securities	164,181	171,392
Retirement benefit asset	5,584	10,293
Deferred tax assets	19,053	22,391
Other	67,404	63,595
Allowance for doubtful accounts	(1,368)	(2,559)
Total investments and other assets	254,855	265,114
Total non-current assets	738,456	725,660
<b>Total assets</b>	<b>1,927,226</b>	<b>1,956,288</b>
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	361,825	379,394
Electronically recorded obligations - operating	34,597	42,980
Short-term borrowings	163,028	54,300
Accrued expenses	105,282	106,398
Provision for bonuses	18,573	18,506
Provision for product warranties	18,897	19,750
Provision for sales promotion expenses	8,433	9,586
Provisions for restructuring	670	174
Other	174,274	165,358
Total current liabilities	885,582	796,451
Non-current liabilities		
Long-term borrowings	561,893	572,270
Retirement benefit liability	83,558	73,630
Other	32,053	32,919
Total non-current liabilities	677,505	678,820
<b>Total liabilities</b>	<b>1,563,087</b>	<b>1,475,271</b>

(Millions of yen)

	As of March 31, 2021	As of March 31, 2022
<b>Net assets</b>		
Shareholders' equity		
Share capital	5,000	5,000
Capital surplus	109,126	108,623
Retained earnings	289,551	356,966
Treasury shares	(14,053)	(13,747)
Total shareholders' equity	389,624	456,842
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	16,617	20,169
Deferred gains or losses on hedges	1,086	1,835
Foreign currency translation adjustment	(39,362)	(9,085)
Remeasurements of defined benefit plans	(17,617)	(3,745)
Total accumulated other comprehensive income	(39,275)	9,173
Share acquisition rights	297	304
Non-controlling interests	13,493	14,696
<b>Total net assets</b>	364,139	481,017
<b>Total liabilities and net assets</b>	1,927,226	1,956,288

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

## - Consolidated Statements of Income

	(Millions of yen)	
	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022
Net sales	2,425,910	2,495,588
Cost of sales	2,004,593	2,063,864
Gross profit	421,316	431,723
Selling, general and administrative expenses	338,204	347,006
Operating profit	83,112	84,716
Non-operating income		
Interest income	2,818	2,583
Dividend income	1,240	1,543
Rental income from non-current assets	3,500	3,465
Foreign exchange gains	5,546	18,947
Share of profit of entities accounted for using equity method	-	3,630
Investment income	-	9,263
Other	9,483	10,605
Total non-operating income	22,590	50,038
Non-operating expenses		
Interest expenses	5,511	4,448
Rental expenses on non-current assets	2,360	2,323
Share of loss of entities accounted for using equity method	16,703	-
Inactive assets expenses	4,139	5,199
Investment expenses	4,879	-
Other	8,932	7,818
Total non-operating expenses	42,527	19,790
Ordinary profit	63,175	114,964
Extraordinary income		
Gain on sale of non-current assets	5,630	5,124
Gain on sale of investment securities	14	631
Gain on bargain purchase	-	182
Gain on liquidation of subsidiaries and associates	27	-
Gain on receipt of donated non-current assets	6,675	1,329
Gain on sale of businesses	-	5,725
Gain on reversal of share acquisition rights	10	-
Total extraordinary income	12,357	12,993
Extraordinary losses		
Loss on sale and retirement of non-current assets	638	588
Impairment losses	6,417	22,703
Loss on valuation of investment securities	2,035	77
Loss on sale of investment securities	-	7
Loss on sale of shares of subsidiaries and associates	-	268
Settlement payments	-	2,763
Total extraordinary losses	9,090	26,409
Profit before income taxes	66,442	101,549
Income taxes - current	14,657	17,230
Income taxes - deferred	(442)	(1,184)
Total income taxes	14,215	16,045
Profit	52,227	85,503
Loss attributable to non-controlling interests	(1,036)	(234)
Profit attributable to owners of parent	53,263	85,738

- Consolidated Statements of Comprehensive Income

(Millions of yen)

	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022
Profit	52,227	85,503
Other comprehensive income		
Valuation difference on available-for-sale securities	8,563	3,546
Deferred gains or losses on hedges	269	675
Foreign currency translation adjustment	16,466	29,409
Remeasurements of defined benefit plans, net of tax	26,010	13,996
Share of other comprehensive income of entities accounted for using equity method	1,523	2,368
Total other comprehensive income	52,832	49,996
Comprehensive income	105,060	135,500
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	104,858	134,187
Comprehensive income attributable to non-controlling interests	202	1,312

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

Fiscal year ended March 31, 2021

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	5,000	108,853	247,283	(13,993)	347,143
Changes during period					
Dividends of surplus			(10,995)		(10,995)
Profit attributable to owners of parent			53,263		53,263
Change in ownership interest of parent due to transactions with non-controlling interests		286			286
Purchase of treasury shares				(75)	(75)
Disposal of treasury shares		(13)		15	2
Net changes in items other than shareholders' equity					
Total changes during period	-	272	42,268	(60)	42,480
Balance at end of current period	5,000	109,126	289,551	(14,053)	389,624

	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	8,048	846	(56,118)	(43,646)	(90,870)	293	14,392	270,959
Changes during period								
Dividends of surplus								(10,995)
Profit attributable to owners of parent								53,263
Change in ownership interest of parent due to transactions with non-controlling interests								286
Purchase of treasury shares								(75)
Disposal of treasury shares								2
Net changes in items other than shareholders' equity	8,569	240	16,756	26,028	51,594	3	(898)	50,699
Total changes during period	8,569	240	16,756	26,028	51,594	3	(898)	93,180
Balance at end of period	16,617	1,086	(39,362)	(17,617)	(39,275)	297	13,493	364,139

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 attributable to owners of parent			85,738		85,738
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)	67,414	306	67,217
Balance at end of period	5,000	108,623	356,966	(13,747)	456,842

	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 attributable to owners of parent								85,738
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	116,877
Balance at end of period	20,169	1,835	(9,085)	(3,745)	9,173	304	14,696	481,017



## (4) Consolidated Statements of Cash Flows

(Millions of yen)

	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022
<b>Cash flows from operating activities</b>		
Profit before income taxes	66,442	101,549
Depreciation	71,942	72,397
Interest and dividend income	(4,059)	(4,126)
Interest expenses	5,511	4,448
Share of loss (profit) of entities accounted for using equity method	16,703	(3,630)
Investment expenses	4,879	(9,263)
Loss (gain) on sale and retirement of non-current assets	(4,991)	(4,535)
Gain on receipt of donated non-current assets	(6,675)	(1,329)
Loss (gain) on sale of investment securities	(14)	(623)
Loss (gain) on valuation of investment securities	2,035	77
Loss (gain) on sale of shares of subsidiaries and associates	-	268
Gain on bargain purchase	-	(182)
Impairment losses	6,417	22,703
Loss (gain) on sale of businesses	-	(5,725)
Settlement payments	-	2,763
Decrease (increase) in trade receivables	(8,781)	-
Decrease (increase) in notes and accounts receivable - trade and contract assets	-	(6,873)
Decrease (increase) in accounts receivable - other	4,360	(5,362)
Decrease (increase) in inventories	53,266	(21,466)
Increase (decrease) in trade payables	8,511	6,100
Increase (decrease) in accrued expenses	6,698	(2,590)
Increase (decrease) in valuation reserve for inventory purchase commitments	(17,133)	-
Other, net	2,520	(42,819)
Subtotal	207,633	101,778
Interest and dividends received	8,232	8,001
Interest paid	(5,401)	(4,453)
Income taxes refund (paid)	(5,820)	(27,425)
Settlement paid	-	(2,742)
<b>Net cash provided by (used in) operating activities</b>	<b>204,642</b>	<b>75,157</b>
<b>Cash flows from investing activities</b>		
Payments into time deposits	(118,384)	(133,685)
Proceeds from withdrawal of time deposits	124,561	135,143
Purchase of property, plant and equipment	(35,656)	(47,590)
Proceeds from sale of property, plant and equipment	10,518	9,216
Purchase of intangible assets	(15,726)	(15,483)
Purchase of investment securities	(8,063)	(10,003)
Proceeds from sale of investment securities	27	2,440
Proceeds from sale of businesses	-	4,267
Other, net	28,608	24,246
<b>Net cash provided by (used in) investing activities</b>	<b>(14,114)</b>	<b>(31,448)</b>

(Millions of yen)

	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022
<b>Cash flows from financing activities</b>		
Net increase (decrease) in short-term borrowings	(89,398)	(102,493)
Purchase of shares of subsidiaries not resulting in change in scope of consolidation	(6,875)	(216)
Dividends paid	(10,980)	(18,312)
Other, net	30,530	(3,268)
<b>Net cash provided by (used in) financing activities</b>	<b>(76,724)</b>	<b>(124,291)</b>
<b>Effect of exchange rate change on cash and cash equivalents</b>	<b>8,665</b>	<b>27,148</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>122,469</b>	<b>(53,433)</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>170,323</b>	<b>292,792</b>
<b>Cash and cash equivalents at end of period</b>	<b>292,792</b>	<b>239,359</b>

## Segment Information

### 1. Year Ended March 31, 2021

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

Millions of Yen

Net Sales	
Smart Life	
Customers	454,510
Intersegment	1,033
Total	455,543
8K Ecosystem	
Customers	484,552
Intersegment	8,517
Total	493,069
ICT	
Customers	341,776
Intersegment	1,701
Total	343,477
Display Device	
Customers	766,537
Intersegment	46,255
Total	812,792
Electronic Device	
Customers	378,534
Intersegment	50,044
Total	428,578
Adjustments	( 107,551 )
The amount presented in Consolidated Statements of Income	2,425,910
Segment Income	
Smart Life	58,866
8K Ecosystem	15,527
ICT	15,421
Display Device	1,860
Electronic Device	12,692
Adjustments <sup>*1</sup>	( 21,256 )
The amount presented in Consolidated Statements of Income <sup>*2</sup>	83,112

Notes: 1. Adjustments of segment income of (21,256) million yen include elimination of intersegment transactions of 40 million yen and corporate expenses not allocated to each reportable segment of (18,831) 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, 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.

## (Per Share Information)

	Year Ended March 31, 2021	Year Ended March 31, 2022
Net assets per share	573.59	762.93
Income per share	87.20	140.37
Fully diluted income per share	-	-
	Fully diluted income per share for the year ended March 31, 2021, 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, 2022, is not provided. Although Sharp has dilutive shares, the shares in question have no dilutive effect.

## Notes:

1. Income per share and fully diluted income per share were calculated on the following basis.

	Year Ended March 31, 2021	Year Ended March 31, 2022
Income per share		
Profit attributable to owners of parent (millions of yen)	53,263	85,738
Amounts not allocated to common shares (millions of yen)	-	-
Profit attributable to owners of parent allocated to common shares (millions of yen)	53,263	85,738
Average number of common shares outstanding during each year (thousands of shares)	610,833	610,799
Common shares (thousands of shares)	543,533	610,799
Shares equivalent to common shares (thousands of shares)	67,299	-
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)	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)

2. Dividend priority of Class C shares is equal to common shares. Sharp recognizes the common share equivalent number as share equivalent to common shares.

## (Significant Subsequent Events)

None