



Consolidated Financial Results for the Second Quarter, Fiscal 2022

- I. Consolidated Financial Results for the First Half,
Fiscal 2022
 - II. Consolidated Financial Results for the Second
Quarter, Fiscal 2022
 - III. Consolidated Financial Results Forecast
for Fiscal 2022
 - IV. Supplementary Data
-

SHARP CORPORATION

November 4, 2022

Outline

- First half fiscal 2022 sales were higher year on year, mainly due to growth in focused areas, including brand businesses in the Americas and Asia and displays for automotive.
- Operating profit, ordinary profit, and bottom-line profit fell significantly due to the rapid weakening of the yen and deteriorating display market conditions.
- We revised our full-year forecast reflecting first half results and the current business environment.

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- First, let's take a look at a summary of our consolidated financial results.
- Net sales for H1, fiscal 2022 were higher year on year, mainly due to growth in focused areas, including brand businesses in the Americas and Asia and displays for automotive.
- Operating profit, ordinary profit, and bottom-line profit fell significantly due to the rapid weakening of the yen and deteriorating display market conditions.
- We revised our full-year forecast reflecting first half results and the current business environment

I . Consolidated Financial Results for the First Half, Fiscal 2022

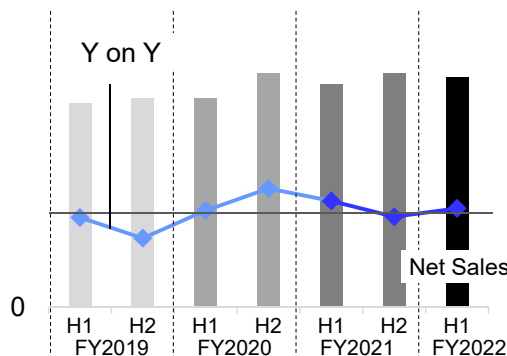
- Next, let's look at an overview of our consolidated financial results for H1, fiscal 2022.

Consolidated Financial Results for the First Half, Fiscal 2022

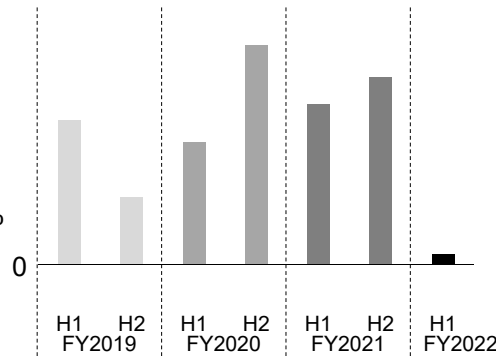
(Billions of Yen)

	FY2021			FY2022	
	First Half	Second Half	Fiscal Year	First Half	Y on Y
Net Sales	1,218.2	1,277.3	2,495.5	1,257.9	+3.3%
Operating Profit	39.0 (3.2%)	45.6 (3.6%)	84.7 (3.4%)	2.4 (0.2%)	-93.8%
Ordinary Profit	50.8 (4.2%)	64.0 (5.0%)	114.9 (4.6%)	10.2 (0.8%)	-79.9%
Bottom-line Profit	42.5 (3.5%)	31.4 (2.5%)	73.9 (3.0%)	10.3 (0.8%)	-75.7%
Avg. Exchange Rates					
USD/JPY	108.80	113.96	111.38	132.98	
Euro/JPY	129.39	128.73	129.06	137.22	

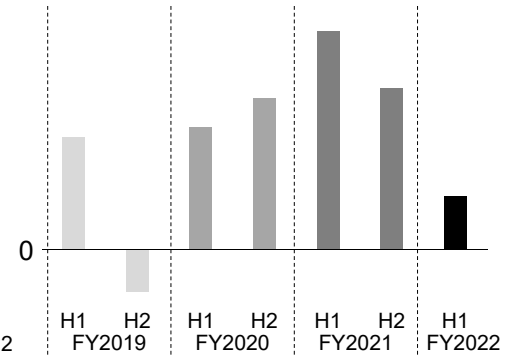
Net Sales



Operating Profit



Bottom-line Profit



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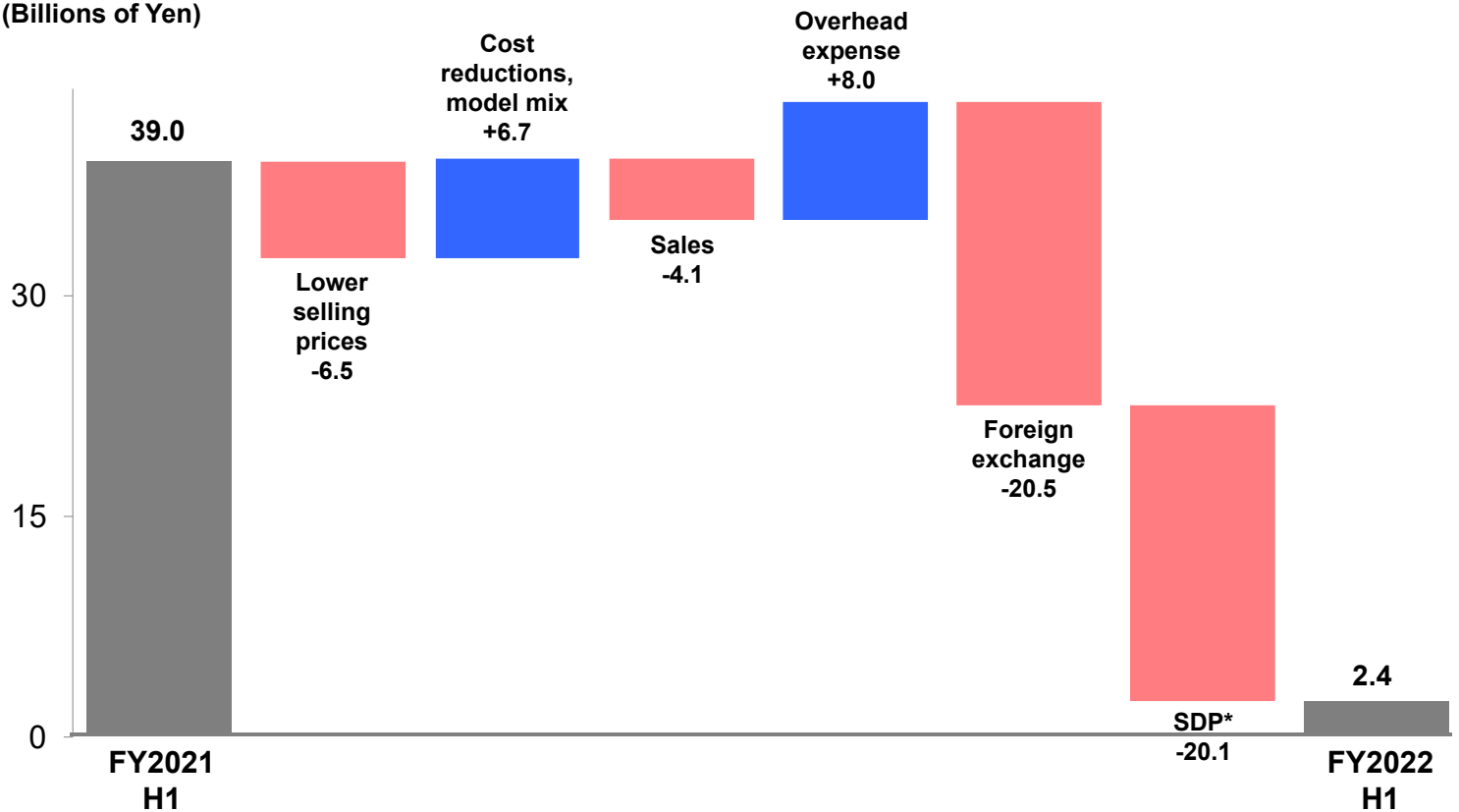
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- This next slide provides highlights of our financial results for H1, fiscal 2022.
- Net sales amounted to 1,257.9 billion, an increase of 3.3% year on year.
- Operating profit amounted to 2.4 billion yen, ordinary profit amounted to 10.2 billion yen, and bottom-line profit amounted to 10.3 billion yen. All profit measures were significantly lower year on year.

Operating Profit Analysis : Y on Y Change Factors for the First Half, Fiscal 2022

(Management accounting)

(Billions of Yen)



*Sakai Display Products Corporation

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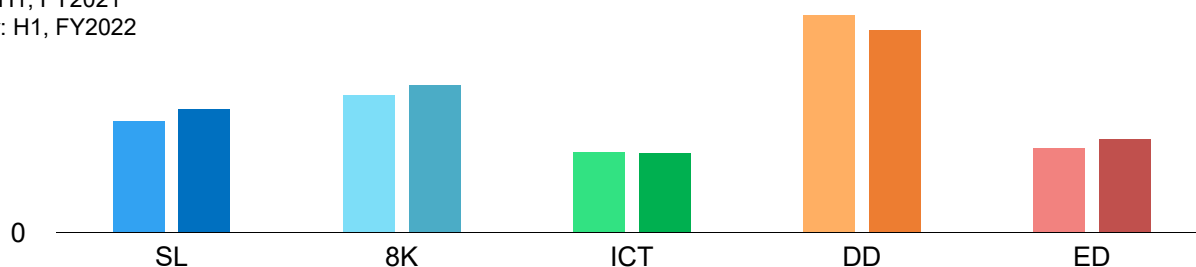
- The next graph shows our analysis of year-on-year changes in operating profit for H1, fiscal 2022.
- Change factors were
 - a 6.5 billion yen decrease due to lower selling prices,
 - a 6.7 billion yen improvement due to cost reductions and model mix,
 - a 4.1 billion yen decrease due to changes in sales performance,
 - a 8.0 billion yen increase related to overhead expenses,
 - a 20.5 billion yen decrease due to foreign exchange fluctuation, and
 - a 20.1 billion yen decrease related to Sakai Display Products Corporation consolidation.

The rapidly weakening yen, associated foreign exchange effects, and the consolidation of Sakai Display Products Corporation were factors contributing to a significant decrease in profits.

(First Half) Sales by Segment

	(Billions of Yen)				
	FY2021			FY2022	
	First Half	Second Half	Fiscal Year	First Half	Y on Y
Smart Life	223.9	222.2	446.1	248.1	+10.8%
8K Ecosystem	276.0	291.5	567.6	295.4	+7.0%
ICT	162.1	161.9	324.0	159.4	-1.6%
Brand Businesses	662.1	675.7	1,337.8	703.0	+6.2%
Display Device	436.7	422.8	859.6	406.6	-6.9%
Electronic Device	170.0	226.7	396.8	187.8	+10.4%
Device Businesses	606.8	649.6	1,256.5	594.4	-2.1%
Subtotal	1,269.0	1,325.3	2,594.4	1,297.5	+2.2%
Adjustments	-50.8	-47.9	-98.8	-39.5	-
Total	1,218.2	1,277.3	2,495.5	1,257.9	+3.3%

Left bar: H1, FY2021
Right bar: H1, FY2022



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*Sales include inter-segment sales and transfers.

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- This next slide shows sales by segment for H1, fiscal 2022.
- Brand Business sales increased 6.2% year on year to 703.0 billion yen, while Device Business sales decreased 2.1% to 594.4 billion yen.

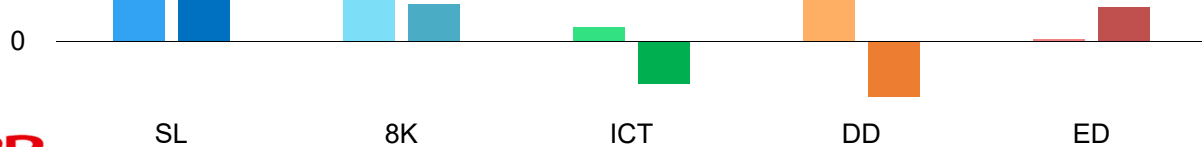
(First Half) Operating Profit by Segment

*Figures within parentheses indicate operating margin.

(Billions of Yen)

	FY2021			FY2022	
	First Half	Second Half	Fiscal Year	First Half	Y on Y
Smart Life	24.4 (10.9%)	23.8 (10.7%)	48.2 (10.8%)	16.8 (6.8%)	-31.1%
8K Ecosystem	11.5 (4.2%)	13.4 (4.6%)	24.9 (4.4%)	8.1 (2.8%)	-29.0%
ICT	3.1 (1.9%)	0.9 (0.6%)	4.0 (1.2%)	-9.3 (-5.9%)	-
Brand Businesses	39.1 (5.9%)	38.1 (5.6%)	77.2 (5.8%)	15.7 (2.2%)	-59.8%
Display Device	9.3 (2.1%)	11.0 (2.6%)	20.3 (2.4%)	-12.3 (-3.0%)	-
Electronic Device	0.3 (0.2%)	6.6 (2.9%)	6.9 (1.8%)	7.4 (3.9%)	+1,913.4%
Device Businesses	9.6 (1.6%)	17.6 (2.7%)	27.3 (2.2%)	-4.9 (-0.8%)	-
Subtotal	48.8 (3.8%)	55.7 (4.2%)	104.6 (4.0%)	10.7 (0.8%)	-77.9%
Adjustments	-9.8	-10.0	-19.8	-8.3	-
Total	39.0 (3.2%)	45.6 (3.6%)	84.7 (3.4%)	2.4 (0.2%)	-93.8%

Left bar: H1, FY2021
Right bar: H1, FY2022



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- Let's turn to the next slide, which shows operating profit by segment.
- Brand Businesses recorded 15.7 billion yen in operating profit, which was a 59.8% decrease year on year, while the Device Business recorded an operating loss of 4.9 billion yen.

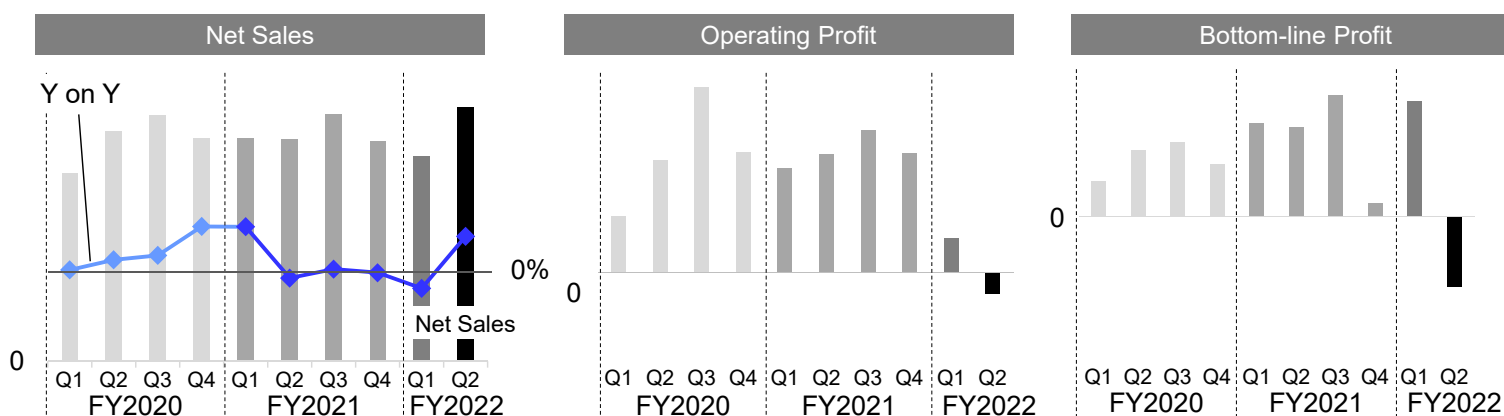
II. Consolidated Financial Results for the Second Quarter, Fiscal 2022

- Next, let's look at an overview of our consolidated financial results for Q2, fiscal 2022.

Consolidated Financial Results for the Second Quarter, Fiscal 2022

(Billions of Yen)

	FY2021				FY2022		
	Q1	Q2	Q3	Q4	Q1	Q2	Y on Y
Net Sales	611.5	606.6	675.8	601.5	562.1	695.8	+14.7%
Operating Profit	18.3 (3.0%)	20.6 (3.4%)	24.8 (3.7%)	20.8 (3.5%)	6.1 (1.1%)	-3.6 (-0.5%)	-
Ordinary Profit	25.6 (4.2%)	25.2 (4.2%)	33.7 (5.0%)	30.3 (5.0%)	17.4 (3.1%)	-7.2 (-1.0%)	-
Bottom-line Profit	21.6 (3.5%)	20.8 (3.4%)	28.3 (4.2%)	3.1 (0.5%)	26.9 (4.8%)	-16.5 (-2.4%)	-
Avg. Exchange Rates							
USD/JPY	108.49	109.11	112.71	115.21	128.57	137.38	
Euro/JPY	130.45	128.33	128.57	128.90	136.60	137.84	



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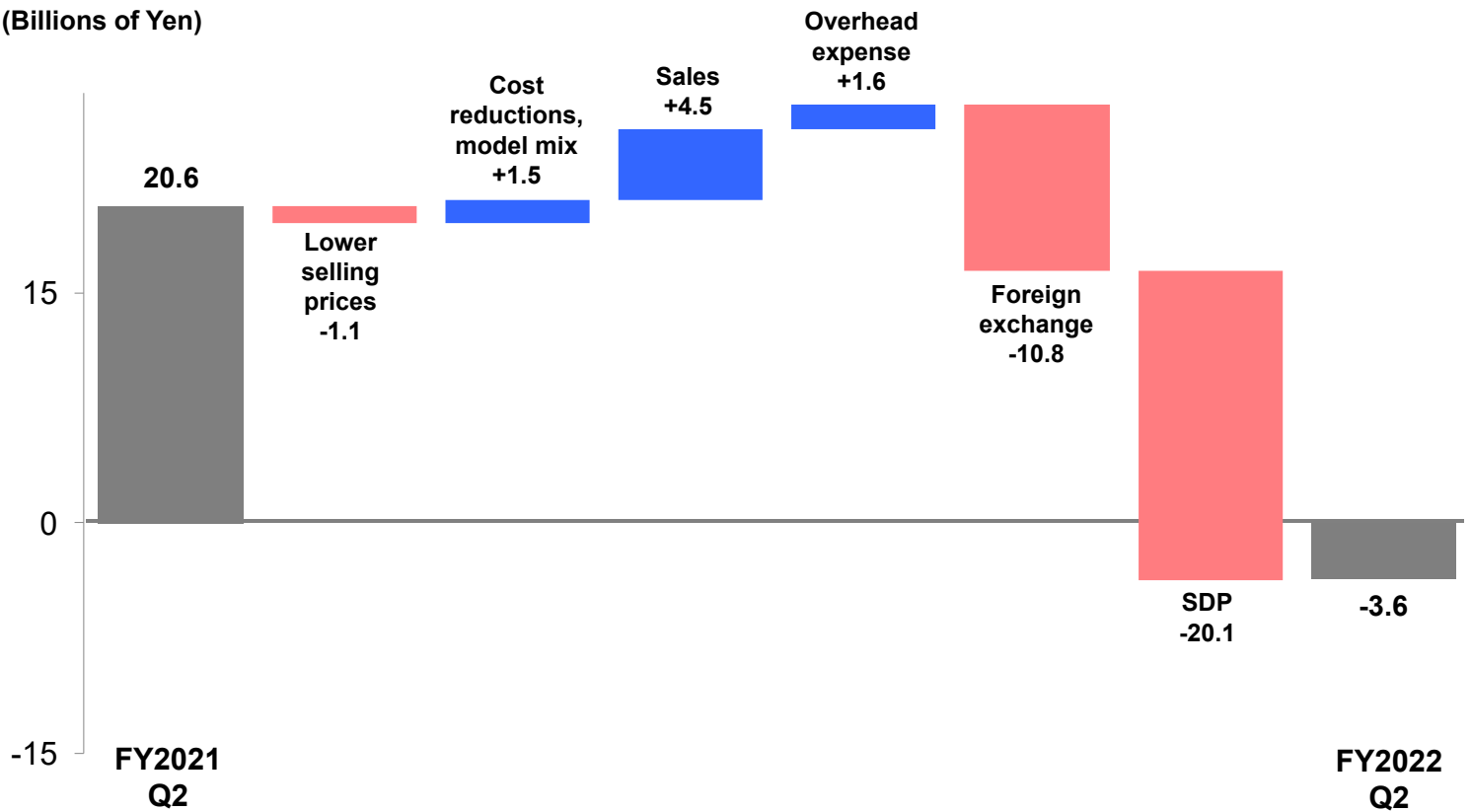
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- The next slide provides highlights of our financial results for Q2, fiscal 2022.
- Net sales amounted to 695.8 billion yen, an increase of 14.7% year on year.
- Operating loss amounted to 3.6 billion yen, ordinary loss amounted to 7.2 billion yen, and bottom-line loss amounted to 16.5 billion yen. All profit measures shifted from profit in the year-ago period to losses.

Operating Profit Analysis : Y on Y Change Factors for the Second Quarter, Fiscal 2022

(Management accounting)

(Billions of Yen)

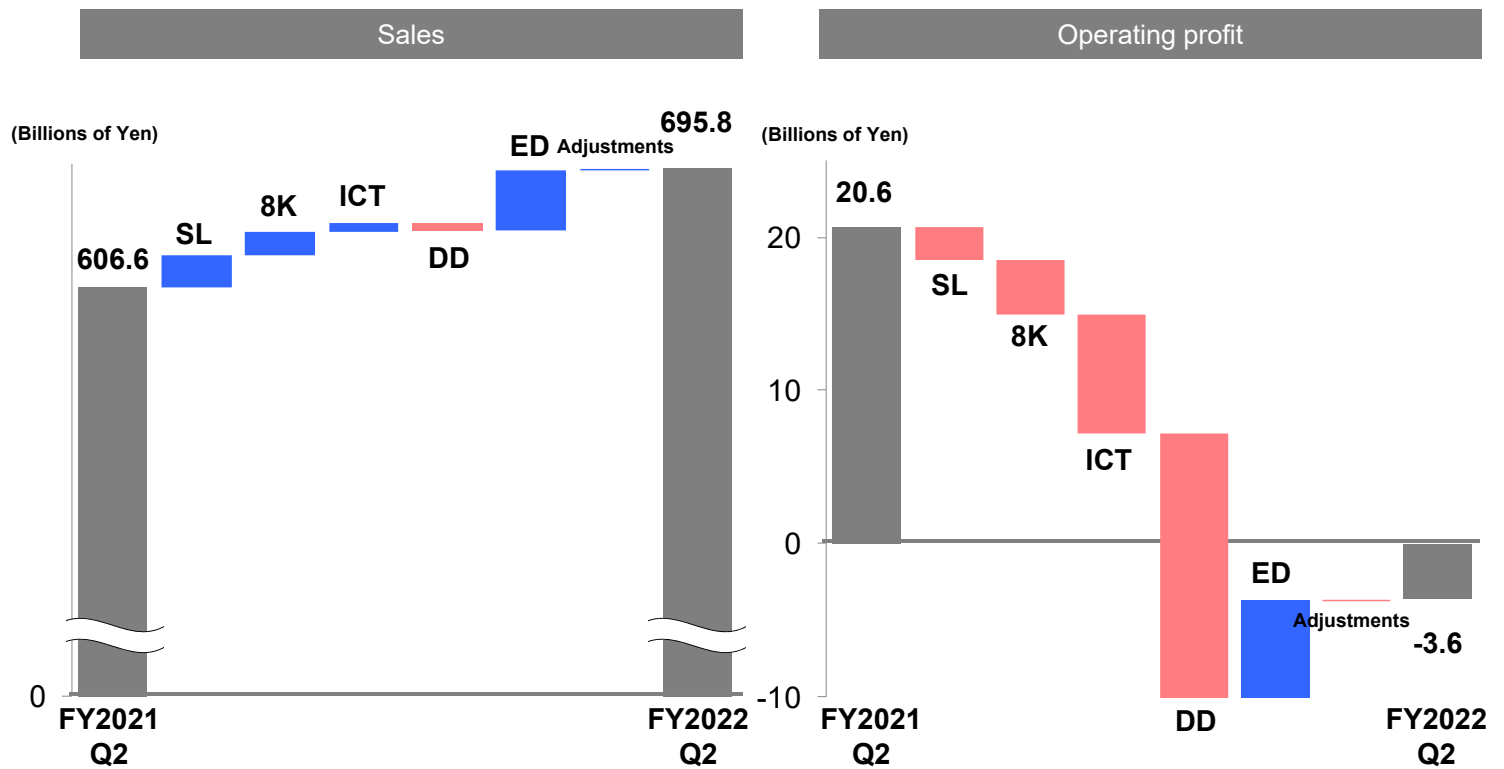


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- The next graph shows our analysis of year-on-year changes in operating profit for Q2, fiscal 2022.
- Change factors were
 - a 1.1 billion yen decrease due to lower selling prices,
 - a 1.5 billion yen improvement due to cost reductions and model mix,
 - a 4.5 billion yen increase due to changes in sales performance,
 - a 1.6 billion yen increase related to overhead expenses,
 - a 10.8 billion yen decrease due to foreign exchange fluctuation, and
 - a 20.1 billion yen decrease related to Sakai Display Products Corporation consolidation.

Sales and Operating Profit Analysis: Y on Y Change by Segment for the Second Quarter, Fiscal 2022



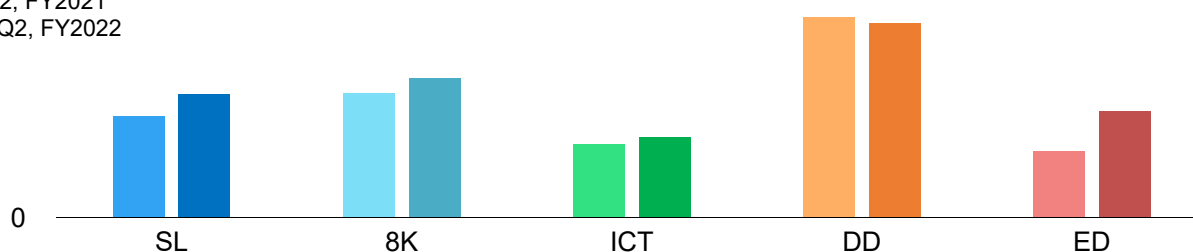
- The next graphs provide a year-on-year change analysis for sales and operating profit for Q2, fiscal 2022.
- Display Devices sales declined in Q2, while sales of Smart Life, 8K Ecosystem, ICT, and Electronic Device rose.
- Operating profit increased for Electronic Device, but the other four segments saw a significant decrease in operating profit due to the rapid weakening of the yen and deteriorating display market conditions.

(Second Quarter) Sales by Segment

(Billions of Yen)

	FY2021				FY2022		
	Q1	Q2	Q3	Q4	Q1	Q2	Y on Y
Smart Life	111.0	112.9	107.3	114.9	110.9	137.2	+21.5%
8K Ecosystem	137.5	138.5	148.9	142.6	139.8	155.6	+12.3%
ICT	80.2	81.8	82.2	79.6	70.0	89.4	+9.2%
Brand Businesses	328.7	333.3	338.5	337.2	320.8	382.2	+14.7%
Display Device	213.3	223.4	221.8	201.0	189.4	217.1	-2.8%
Electronic Device	96.5	73.5	139.5	87.1	68.9	118.8	+61.7%
Device Businesses	309.8	297.0	361.3	288.2	258.3	336.0	+13.1%
Subtotal	638.6	630.3	699.9	625.4	579.2	718.3	+13.9%
Adjustments	-27.0	-23.7	-24.0	-23.9	-17.0	-22.4	-
Total	611.5	606.6	675.8	601.5	562.1	695.8	+14.7%

Left bar: Q2, FY2021
Right bar: Q2, FY2022



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*Sales include inter-segment sales and transfers.

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- This next slide shows sales by segment for Q2, fiscal 2022.
- Brand Business sales increased 14.7% year on year to 382.2 billion yen, while Device Business sales increased 13.1% to 336.0 billion yen.

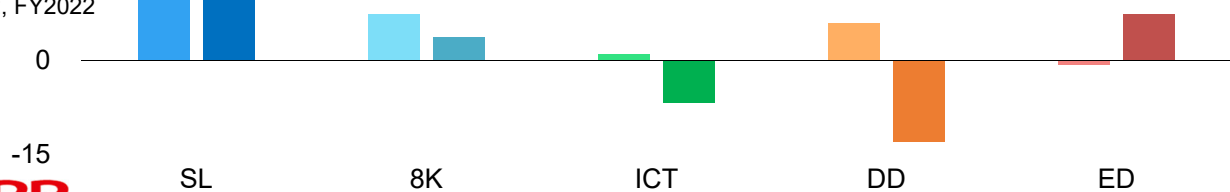
(Second Quarter) Operating Profit by Segment

*Figures within parentheses indicate operating margin.

(Billions of Yen)

	FY2021				FY2022		
	Q1	Q2	Q3	Q4	Q1	Q2	Y on Y
Smart Life	12.6 (11.4%)	11.8 (10.5%)	11.6 (10.9%)	12.1 (10.6%)	7.1 (6.4%)	9.7 (7.1%)	-17.9%
8K Ecosystem	4.1 (3.0%)	7.3 (5.3%)	6.8 (4.6%)	6.5 (4.6%)	4.3 (3.1%)	3.7 (2.4%)	-48.5%
ICT	2.1 (2.7%)	0.9 (1.2%)	2.1 (2.7%)	-1.2 (-1.6%)	-2.5 (-3.7%)	-6.7 (-7.6%)	-
Brand Businesses	18.9 (5.8%)	20.2 (6.1%)	20.7 (6.1%)	17.4 (5.2%)	8.9 (2.8%)	6.7 (1.8%)	-66.6%
Display Device	3.3 (1.6%)	5.9 (2.7%)	5.6 (2.5%)	5.3 (2.7%)	0.6 (0.3%)	-12.9 (-6.0%)	-
Electronic Device	1.0 (1.1%)	-0.7 (-1.0%)	5.6 (4.1%)	0.9 (1.1%)	0.0 (0.0%)	7.4 (6.2%)	-
Device Businesses	4.3 (1.4%)	5.2 (1.8%)	11.2 (3.1%)	6.3 (2.2%)	0.6 (0.2%)	-5.5 (-1.7%)	-
Subtotal	23.3 (3.7%)	25.5 (4.0%)	31.9 (4.6%)	23.7 (3.8%)	9.6 (1.7%)	1.1 (0.2%)	-95.4%
Adjustments	-4.9	-4.8	-7.1	-2.9	-3.4	-4.8	-
Total	18.3 (3.0%)	20.6 (3.4%)	24.8 (3.7%)	20.8 (3.5%)	6.1 (1.1%)	-3.6 (-0.5%)	-

Left bar: Q2, FY2021
Right bar: Q2, FY2022



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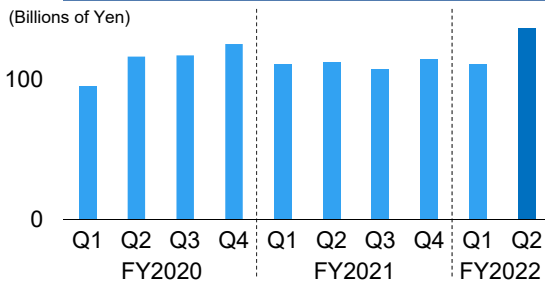
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- Let's turn to the next slide, which shows operating profit by segment for Q2, fiscal 2022.
- Brand Businesses recorded 6.7 billion yen in operating profit, which was a 66.6% decrease year on year, while the Device Business recorded an operating loss of 5.5 billion yen.

(Billions of Yen)	FY2021				FY2022		
	Q1	Q2	Q3	Q4	Q1	Q2	Y on Y
Sales	111.0	112.9	107.3	114.9	110.9	137.2	+21.5%
Operating Profit	12.6	11.8	11.6	12.1	7.1	9.7	-17.9%
	(11.4%)	(10.5%)	(10.9%)	(10.6%)	(6.4%)	(7.1%)	

Sales (Increase)



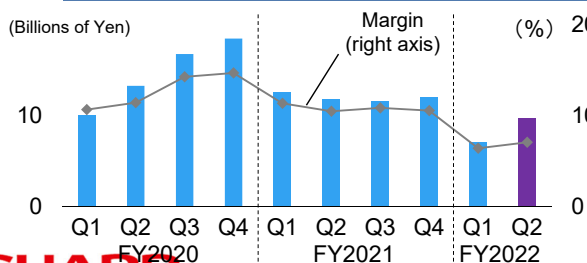
(Incr.) White goods sales overseas increased by more than 25%

- Sales of air conditioners, washing machines, and refrigerators grew significantly, particularly in Asia
- Sales of cooking appliances rose significantly in Europe, the Americas and Asia.

(Incr.) Sales of white goods in Japan increased significantly, driven by sales of air conditioners and washing machines

(Incr.) Energy solutions business performance rose significantly with an increase in sales for overseas EPC and Japanese household business

Operating profit (Decrease)



(Dec.) Weakening of the yen

(Incr.) Increase in sales

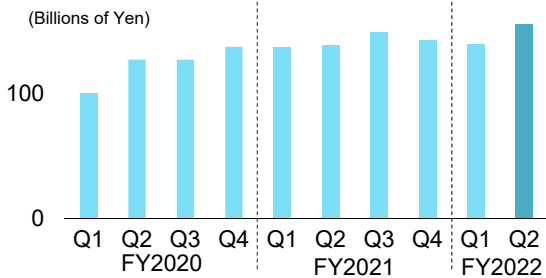
(Incr.) Advancement of high-value-added goods

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- Please turn to the next slide. This is our performance by segment. First, I want to address our Smart Life segment.
- Sales amounted to 137.2 billion yen, an increase of 21.5% year on year. The white goods business recorded a significant increase in sales as both overseas and Japan grew. Overseas white goods business sales rose more than 25% year on year. Sales of air conditioners, washing machines, and refrigerators grew significantly, particularly in Asia, while sales of cooking appliances rose significantly in Europe, the Americas and Asia. Sales of white goods in Japan increased significantly, driven by sales of air conditioners and washing machines. In addition, energy solutions business performance rose significantly with an increase in sales for overseas EPC and Japanese household business.
- Operating profit amounted to 9.7 billion yen, 17.9% lower year on year. We recorded an increase in profit and improved profit margin compared to Q1. Even as the weakening of the yen progressed rapidly during Q2, sales increased, mainly in overseas markets and high-value-added white goods.

(Billions of Yen)	FY2021				FY2022		
	Q1	Q2	Q3	Q4	Q1	Q2	Y on Y
Sales	137.5	138.5	148.9	142.6	139.8	155.6	+12.3%
Operating Profit	4.1 (3.0%)	7.3 (5.3%)	6.8 (4.6%)	6.5 (4.6%)	4.3 (3.1%)	3.7 (2.4%)	-48.5%

Sales (Increase)



(Incr.) Business solutions sales increased by approximately 20%

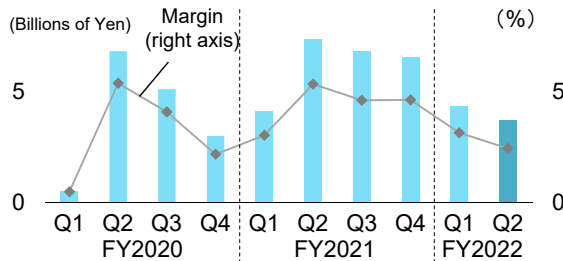
- The MFP business rose substantially in Europe, the Americas, Japan, Asia, and other regions

- Smart office business and information displays saw significant growth in Europe and the Americas and other regions

(Incr.) TV sales grew in Japan, where high-value-added products are becoming more popular, as well as in the Americas and Asia

(Dec.) Sales of TVs in China and Europe declined due to deteriorating market conditions

Operating profit (Decrease)



(Incr.) Comprehensive business structure review in the European TV business, etc.

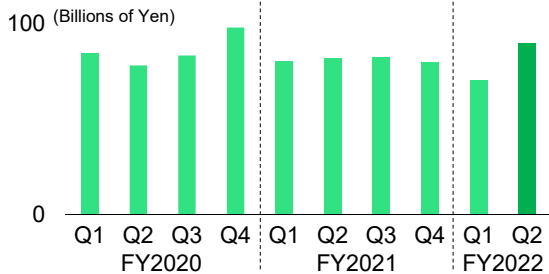
(Dec.) Increase in MFP business and office solutions business sales

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- The next slide describes performance in our 8K Ecosystem.
- Sales increased 12.3% year on year to 155.6 billion yen, as the business solutions business and TV business reported higher sales.
Business solutions sales increased by approximately 20%.
The MFP business rose substantially in Europe, the Americas, Japan, Asia, and other regions. In addition, smart office business and information displays saw significant growth in Europe and the Americas.
TV sales grew in Japan, where high-value-added products are becoming more popular, as well as in the Americas and Asia. At the same time, sales of TVs in China and Europe declined due to deteriorating market conditions.
- Operating profit amounted to 3.7 billion yen, 48.5% lower year on year. Although sales and profits increased in business solutions, the TV business incurred expenses due to a comprehensive business structure review in Europe, etc..

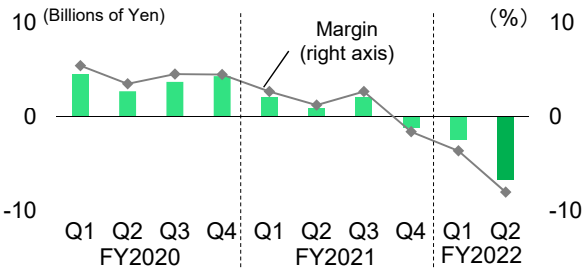
(Billions of Yen)	FY2021				FY2022		
	Q1	Q2	Q3	Q4	Q1	Q2	Y on Y
Sales	80.2	81.8	82.2	79.6	70.0	89.4	+9.2%
Operating Profit	2.1 (2.7%)	0.9 (1.2%)	2.1 (2.7%)	-1.2 (-1.6%)	-2.5 (-3.7%)	-6.7 (-7.6%)	-

Sales (Increase)



- (Incr.) Growth in PCs for individuals, PCs for corporate customers and solutions in Japan
- (Incr.) The mobile communications business revised smartphone product lineup in response to the changing business environment, and strengthened non-smartphone products
- (Dec.) Fewer sales of PCs in Europe and China, partly due to the effect of market conditions

Operating profit (Decrease)



- (Dec.) Weakening of the yen
- (Incr.) Sales price revisions

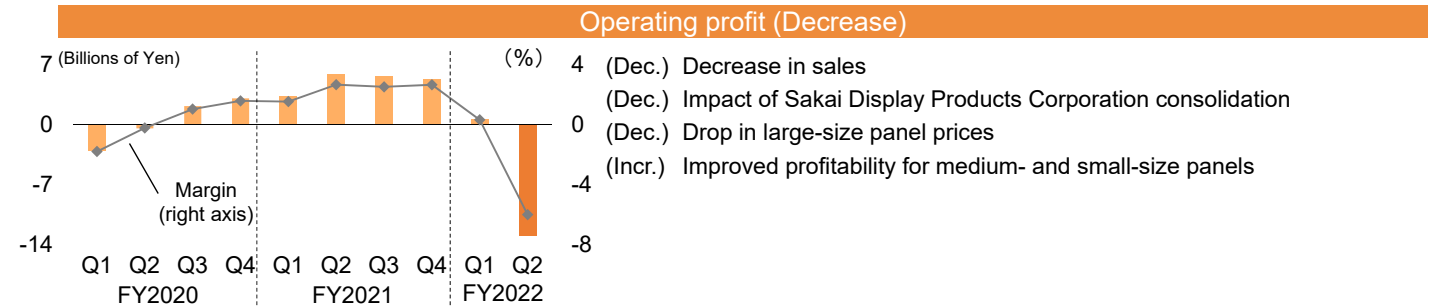
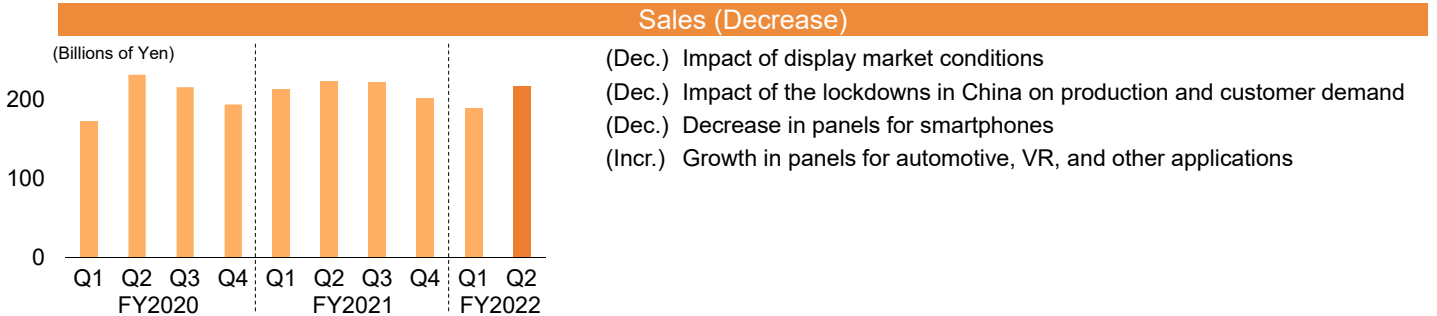
* We are pursuing structural reform of the PC business in Europe toward future profitability improvements.

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- Please turn to the next slide. This slide shows ICT performance.
- The ICT segment recorded sales of 89.4 billion yen, up 9.2% year on year, as the PC business and mobile communications business reported higher sales. Although PC business sales were lower in Europe and China due to the effect of deteriorating market conditions, sales of PCs for individuals, PCs for corporate customers and solutions in Japan increased. The mobile communications business revised smartphone product lineup in response to the changing business environment, and strengthened non-smartphone products.
- Operating loss amounted to 6.7 billion yen due to the impact of the weakening yen and other factors.

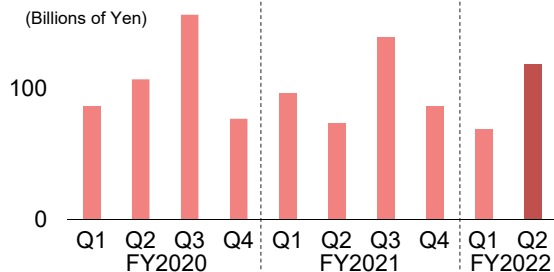
(Billions of Yen)	FY2021				FY2022		
	Q1	Q2	Q3	Q4	Q1	Q2	Y on Y
Sales	213.3	223.4	221.8	201.0	189.4	217.1	-2.8%
Operating Profit	3.3 (1.6%)	5.9 (2.7%)	5.6 (2.5%)	5.3 (2.7%)	0.6 (0.3%)	-12.9 (-6.0%)	-



- Let's turn to the next slide, which shows performance in our Display Device.
- Sales decreased 2.8% year on year to 217.1 billion yen due to difficult market conditions for displays, as well as the impact of the China lockdowns on production and customer demand.
By application, sales of panels for smartphones decreased, while sales of panels for automotive, VR, and other applications grew.
- Operating loss amounted to 12.9 billion yen, mainly due to the consolidation of Sakai Display Products and lower-than-expected prices for large-size panels, even though we saw improved profitability for small- and medium-size panels.

(Billions of Yen)	FY2021				FY2022		
	Q1	Q2	Q3	Q4	Q1	Q2	Y on Y
Sales	96.5	73.5	139.5	87.1	68.9	118.8	+61.7%
Operating Profit	1.0	-0.7	5.6	0.9	0.0	7.4	-
	(1.1%)	(-1.0%)	(4.1%)	(1.1%)	(0.0%)	(6.2%)	

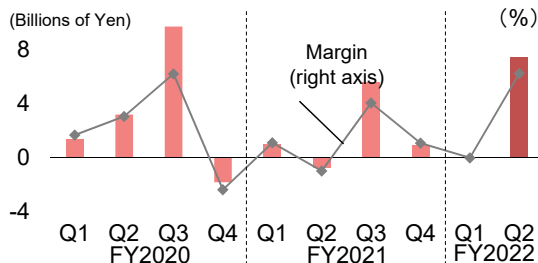
Sales (Increase)



(Incr.) Timely supply of devices for customer new products

(Incr.) Production in the same period of the previous year impacted negatively by COVID-19

Operating profit (Increase)



(Incr.) Increase in sales

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- This next slide shows Electronic Device performance.
- Sales amounted to 118.8 billion yen, an increase of 61.7% year on year. This result was due to the timely supply of devices for new customer products, production in the same period of the previous year impacted negatively by COVID-19, and other factors.
- Due in part to an increase in sales, operating profit amounted to 7.4 billion yen, an improvement of 8.1 billion yen compared to 700 million operating loss in the year-ago period.

Non-Operating Income (Expenses) / Extraordinary Income (Losses)

	(Billions of Yen)						
	FY2021				FY2022		
	Q1	Q2	Q3	Q4	Q1	Q2	Difference (Y on Y)
Operating Profit	18.3	20.6	24.8	20.8	6.1	-3.6	-24.2
Non-operating Income (Expenses)	+7.2	+4.5	+8.8	+9.5	+11.3	-3.5	-8.0
Interest expenses	-1.3	-1.1	-1.1	-0.7	-0.9	-2.6	-1.5
Foreign exchange gains (losses)	+3.2	+3.7	+5.5	+6.4	+13.0	+5.7	+2.0
Investment income (expenses)	+0.0	+2.2	+2.0	+4.8	+4.1	+1.5	-0.7
Share of profit (loss) of entities accounted for using equity method	+4.3	+2.3	-1.3	-1.7	-5.1	-7.2	-9.5
Ordinary Profit	25.6	25.2	33.7	30.3	17.4	-7.2	-32.4
Extraordinary Income (Losses)	+0.7	+0.8	-1.9	-24.7	+12.2	-1.3	-2.1
Gain (loss) on sale of non-current assets	+0.1	+0.4	+2.3	+2.2	+0.9	+1.0	+0.6
Gain (loss) on sale of businesses	-	-	+5.9	-0.2	-	-	-
Gain on receipt of donated non-current assets	+0.7	+0.5	-	+0.0	-	-	-0.5
Gain on step acquisitions	-	-	-	-	+12.4	-	-
Impairment losses	-	-	-7.7	-14.9	-	-	-
Business restructuring expenses	-	-	-	-	-	-1.0	-1.0
Provision for loss on litigation	-	-	-	-11.7	-1.4	-0.8	-0.8
Settlement payments	-	-	-2.7	-	-	-	-
Pretax Income	26.3	26.0	31.8	5.5	29.6	-8.6	-34.6
Income Taxes, etc.	-4.6	-5.2	-3.4	-2.4	-2.7	-7.9	-2.7
Bottom-line Profit	21.6	20.8	28.3	3.1	26.9	-16.5	-37.3

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- The next slide addresses non-operating income, extraordinary income, and income taxes.
- Non-operating income (expenses) in fiscal 2022 Q2 included a foreign exchange gain of 5.7 billion yen and a share of loss of entities accounted for using equity method of 7.2 billion yen.

Consolidated Balance Sheets

- Cash and deposits as of the end of Q2 amounted to 256.5 billion yen, net assets amounted to 534.0 billion yen, and the equity ratio was 23.2%

	(Billions of Yen)						
	FY2021	FY2022		FY2021	FY2022		
	End of Mar.	End of Jun.	End of Sep.	End of Mar.	End of Jun.	End of Sep.	
Cash and deposits	287.3	248.6	256.5	Notes and accounts payable – trade, etc.	422.3	450.8	477.7
Notes and accounts receivable – trade, etc.	487.1	463.6	536.3	Short-term borrowings	54.3	67.1	91.4
Inventories	310.2	379.1	380.2	Current portion of bonds payable	0.0	0.0	0.0
Other current assets	145.8	103.5	96.3	Other current liabilities	331.5	357.9	382.8
Current Assets	1,230.6	1,194.9	1,269.5	Current Liabilities	808.1	876.0	952.1
Property, plant and Equipment	418.2	560.2	561.7	Bonds payable	0.0	0.0	0.0
Intangible assets	42.2	88.2	85.9	Long-term borrowings	572.2	620.2	620.9
Investments and other Assets	265.1	318.2	309.6	Other non-current liabilities	106.5	126.5	119.7
Non-current Assets	725.6	966.6	957.4	Non-current Liabilities	678.8	746.8	740.7
Total Assets	1,956.2	2,161.6	2,226.9	Net Assets	469.2	538.7	534.0
				Total Liabilities and Net Assets	1,956.2	2,161.6	2,226.9
Exchange Rate, End of Period							
USD/JPY	121.41	135.69	143.81	Equity Ratio	23.2%	24.2%	23.2%
Euro/JPY	135.27	141.15	140.82	Equity	454.2	523.3	517.2

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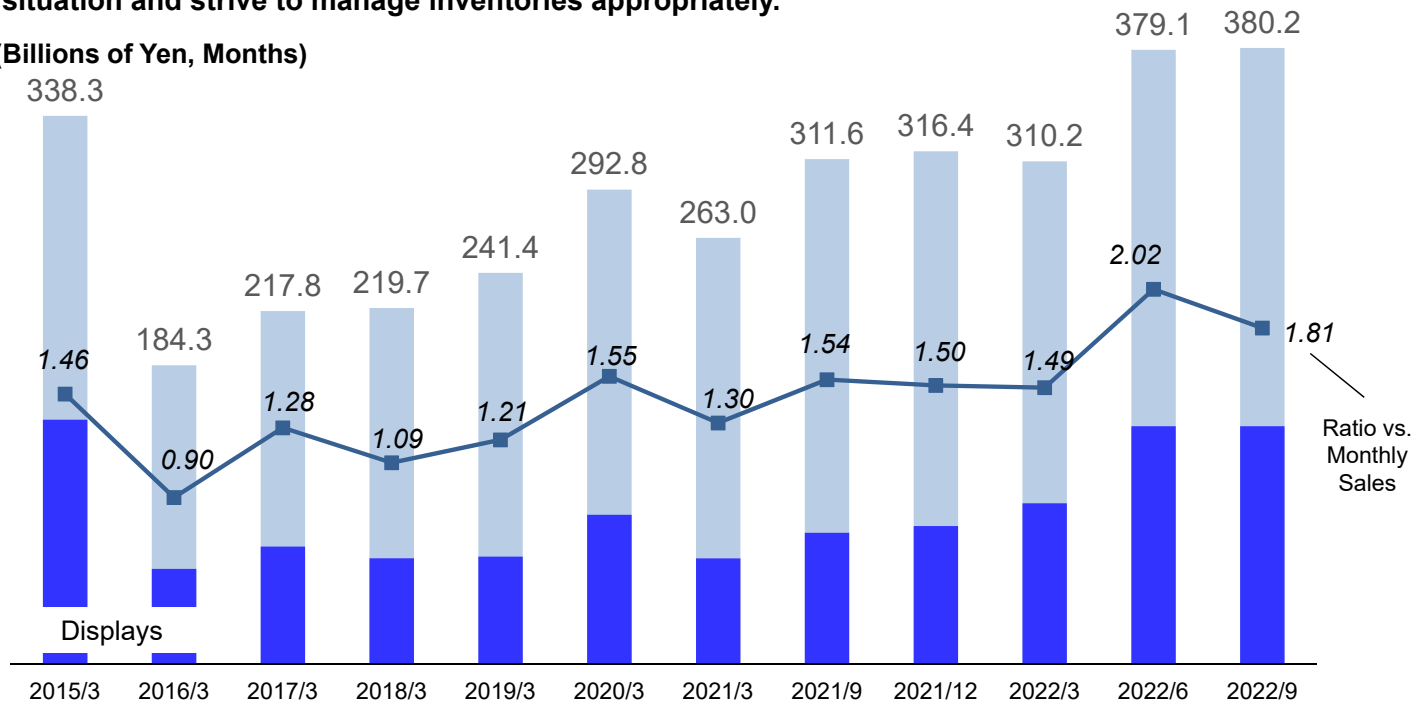
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- The next slide provides information about our balance sheets.
- Cash and deposits amounted to 256.5 billion yen compared with the balance of 248.6 billion yen at the end of June.
Net assets amounted to 534.0 billion yen compared to 538.7 billion yen, while our equity ratio was 23.2%, down from 24.2%.

Inventory Trends

- Inventories amounted to 380.2 billion yen, or 1.81 months of inventory to monthly sales.
- We secured inventory in consideration of sales plans and the business environment in the second half of the fiscal year and beyond, as well as the impact of the weakening yen. Inventory decreased in terms of inventory to monthly sales, but remained nearly unchanged in terms of valuation basis.
- While disruptions in the supply chain are subsiding, we will continue to monitor changes in the situation and strive to manage inventories appropriately.

(Billions of Yen, Months)



*The company adopted a change in accounting standards; figures for 2021/3 and earlier were prepared under different standards

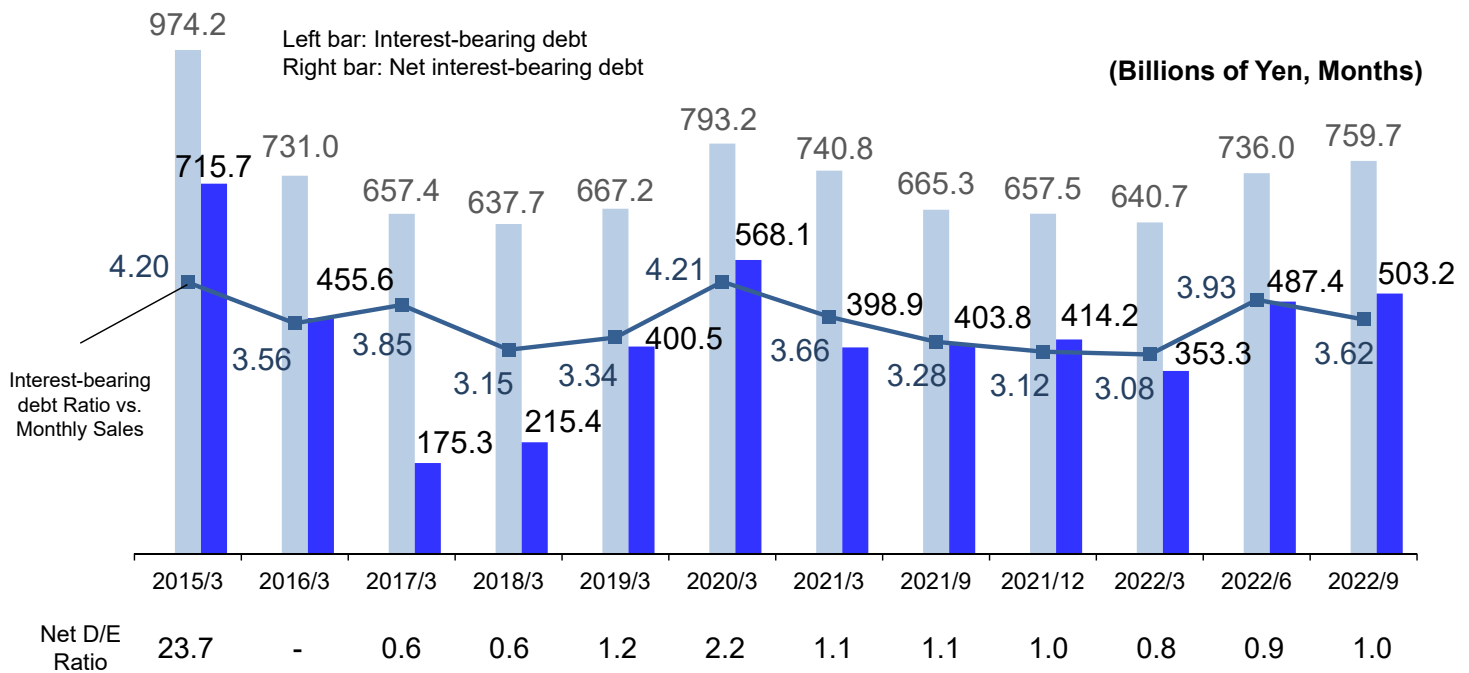
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- The next slide discusses our inventory trends.
- Inventory amounted 380.2 billion yen compared with the end of June 2022, amounting to 379.1 billion yen. Ratio of inventory to monthly sales was 1.81 months compared with 2.02 months.
We secured inventory in consideration of sales plans and the business environment in the second half of the fiscal year and beyond, as well as the impact of the weakening yen, and other factors. Accordingly, inventory remained nearly unchanged in terms of valuation basis, but decreased 0.21 months in terms of inventory to monthly sales compared with the end of June 2022.
- While disruptions in the supply chain are subsiding, we will continue to monitor changes in the situation and strive to manage inventories appropriately.

Interest-Bearing Debt Trends

- Interest-bearing debt increased 23.7 billion yen compared with the end of June 2022 to 759.7 billion yen; our ratio of interest-bearing debt to monthly sales decreased 0.31 months to 3.62 months
- Net interest-bearing debt* increased 15.8 billion yen to 503.2 billion yen
- Net D/E ratio was 1.0 times



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*Net interest-bearing debt: interest-bearing debt – cash and deposits

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- Next, let's take a look at interest-bearing debt.
- Interest-bearing debt amounted to 759.7 billion yen compared with 736.0 billion yen at the end of June 2022; our ratio of interest-bearing debt to monthly sales was 3.62 months compared with 3.93 months.
Net interest-bearing debt amounted to 503.2 billion yen compared with 487.4 billion yen at the end of March.
Net D/E ratio was 1.0 times.
- We will strive to balance business growth with financial structure improvement.

III. Consolidated Financial Results Forecast for Fiscal 2022

- The next slide discusses our consolidated financial results forecasts for fiscal 2022.

Fiscal 2022 Consolidated Financial Results Forecast

- Forecasts have incorporated changes in projected exchange rates due to a weaker yen, the consolidation of Sakai Display Products Corporation, and deteriorating conditions in the display market.

(Billions of Yen)

	FY2021	FY2022					
	Fiscal Year	Fiscal-year Previous Forecast	Fiscal-Year Revised Forecast	YoY	Revision	Main Factors	
						Foreign Exchange	SDP
Net Sales	2,495.5	2,700.0	2,700.0	+8.2%	-	+120.0	-44.0
Operating Profit (margin)	84.7 (3.4%)	65.0 (2.4%)	25.0 (0.9%)	-70.5%	-40.0	-26.0	-20.0
Ordinary Profit (margin)	114.9 (4.6%)	63.0 (2.3%)	12.0 (0.4%)	-89.6%	-51.0	-20.0	-42.0
Bottom-line Profit (margin)	73.9 (3.0%)	50.0 (1.9%)	5.0 (0.2%)	-93.2%	-45.0	-20.0	-29.6
Avg. Exchange Rate		(Full Year)	(Second Half)				
USD/JPY	111.38	125.00	145.00				
Euro/JPY	129.06	133.00	140.00				

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- The next slide discusses our consolidated financial results forecasts for fiscal 2022.
- Our latest financial results forecast incorporates changes in assumed exchange rates due to the weakening of the yen, the effect of consolidation of Sakai Display Products Corporation, deteriorating conditions in the display market, and other factors.
- We forecast net sales of 2,700.0 billion yen, operating profit of 25.0 billion yen, ordinary profit of 12.0 billion yen, and bottom-line profit of 5.0 billion yen.

Fiscal 2022 Second Half Initiatives

■ Business Environment

Positive Factors	Negative Factors
<ul style="list-style-type: none">+ Supply chain disruptions subsiding gradually+ Raw materials price hikes are easing+ Lower logistics costs+ Movement accelerating toward optimized selling prices+ Signs of a turnaround in panel prices	<ul style="list-style-type: none">– Slowdown in demand due to inflation and currency fluctuations– Rising energy costs– Depreciation of the yen– Geopolitical issues– China's zero-COVID policy

■ Initiatives

Pursue Opportunities and Reduce Expenditure to increase sales and profits compared to the first half

(1) Pursue Opportunities (4-Quadrant Management)

- ✓ Expand overseas business
- ✓ Develop high-value-added products and services
- ✓ Accelerate development of new products and new businesses

(2) Reduce Expenditure (Building a muscular management structure)

- ✓ Conduct a fundamental review of cost structure (materials cost reduction, expense reduction, minimization of quality and logistics costs, etc.)
- ✓ Structural reform of unprofitable businesses
- ✓ Optimize personnel

- Next, I will discuss initiatives for H2, fiscal 2022.
- First, I will address the environmental factors we are using as assumptions. More recently, we see positive factors that include the gradual subsiding of supply chain disruptions and signs of a turnaround in panel prices. On the other hand, we see negative factors that include a slowdown in demand due to inflation and currency fluctuations, rising energy costs, and the further weakening of the yen.
- Based on this recognition of the environment, we are committed to Pursue Opportunities and Reduce Expenditures.
Pursue Opportunities: We plan to expand our overseas business, develop high-value-added products and services, and accelerate the development of new products and new businesses.
Reduce Expenditures: We conduct a fundamental review of our cost structure, implement structural reforms for unprofitable businesses, and optimize personnel.

Segment Overview for the Second Half of Fiscal 2022

		Profitability		Major Initiatives	
		First half	Second-half Forecast (vs. H1)		
Smart Life				(WG)	Expand overseas business (ASEAN/Taiwan, the Americas, etc.) and add value to domestic business
				(ES)	Expand sales of new products (higher-output models, etc.), capture renewable energy demand in Europe
8K Ecosystem				(BS)	Capture demand for the return to the in-office work, strengthen display equipment business
				(TV)	Expand sales of AQUOS XLED and large models, structural reform in Europe
ICT			 Return to the black	(MC)	Review cost structure and improve model mix in the smartphone business.
				(PC)	Strengthen solutions business, restructure Europe, improve profitability in the Americas/Australia
Displays Device	Small/Medium			(Small/Medium)	Expand sales of the three priority businesses (PCs/Tablets, automotive, VR) [Sales composition: H2 in prior year 71%→80%] Sakai Display Products Corporation structural reform
	Large			(Large)	
Electronic Device				(CM)	Capture existing customer demand, develop non-smartphone businesses
				(SM)	Expand sales as One SHARP, and accelerate development of new IoT and healthcare-related products

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*WG: White goods, MC: Mobile communications, ES: Energy Solutions, BS: Business Solutions, CM: Camera modules, SM: Sensor modules

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- Next, let's look at an overview by segment for H2, fiscal 2022.
- In Brand Businesses, we expect all segments to see an increase in sales and operating profits compared to the first half. ICT, which recorded a net loss in the first half, should return to a net profit.

In the Smart Life segment, we expect white goods to expand overseas, mainly in ASEAN/Taiwan and the Americas, while we increase added value in our domestic business. Energy solutions should see an expansion of sales of new products, such as higher-output models, and capture demand for renewable energy in Europe.

In 8K Ecosystem, we intend to capture demand for the return to in-office work in Europe, the Americas, and other regions, while we improve profit margins by strengthening the display equipment business. In addition, the TV business should see an expansion of sales for AQUOS XLED and large-size models. However, the TV business is expected to remain almost flat due to structural reform efforts in Europe.

In ICT, we will review the cost structure and improve model mix in the smartphone business, while in the PC business, we will strengthen the solutions business, restructure in Europe, and improve profitability in the Americas and Australia.

Now, let's look at the Device business.

We expect to expand sales in the three priority businesses of PCs/tablets, automotive, and VR, which will lead to an increase in small- and medium- size panel business sales and improve profit margins significantly. Although we expect the business environment for the large-size panel business to remain challenging in the second half of the fiscal year, we will continue to implement structural reforms at Sakai Display Products Corporation.

In electronic device, we will strive to capture existing customer demand in the camera module business and expand our non-smartphone business. At the same time, in the sensor business, we plan to expand sales as One SHARP, and accelerate the development of new IoT and healthcare-related products. However, we expect the segment as a whole to record higher sales and lower profits, due in part to market conditions.

IV. Supplementary Data

- Supplementary materials include a summary of net sales and operating profit by segment, as well as other information.
- Although the current business environment is extremely challenging, we will improve our performance steadily over the second half of the fiscal year through the initiatives to Pursue Opportunities and Reduce Expenditures I discussed today.
We also intend to implement further structural reforms to accelerate the recovery of financial results in fiscal 2023 and beyond.
- Thank you for your attention.

Consolidated Financial Results

(Billions of Yen)

	FY2021			FY2022		
	First Half	Second Half	Fiscal Year	First Half	Second Half Forecast	Fiscal Year Forecast
Net Sales	1,218.2	1,277.3	2,495.5	1,257.9	1,442.1	2,700.0
Operating Profit	39.0	45.6	84.7	2.4	22.6	25.0
(margin)	(3.2%)	(3.6%)	(3.4%)	(0.2%)	(1.6%)	(0.9%)
Ordinary Profit	50.8	64.0	114.9	10.2	1.8	12.0
(margin)	(4.2%)	(5.0%)	(4.6%)	(0.8%)	(0.1%)	(0.4%)
Bottom-line Profit	42.5	31.4	73.9	10.3	-5.3	5.0
(margin)	(3.5%)	(2.5%)	(3.0%)	(0.8%)	(-0.4%)	(0.2%)

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S-2

Consolidated Quarterly Financial Results

(Billions of Yen)

	FY2021				FY2022	
	Q1	Q2	Q3	Q4	Q1	Q2
Net Sales	611.5	606.6	675.8	601.5	562.1	695.8
Operating Profit	18.3	20.6	24.8	20.8	6.1	-3.6
(margin)	(3.0%)	(3.4%)	(3.7%)	(3.5%)	(1.1%)	(-0.5%)
Ordinary Profit	25.6	25.2	33.7	30.3	17.4	-7.2
(margin)	(4.2%)	(4.2%)	(5.0%)	(5.0%)	(3.1%)	(-1.0%)
Bottom-line Profit	21.6	20.8	28.3	3.1	26.9	-16.5
(margin)	(3.5%)	(3.4%)	(4.2%)	(0.5%)	(4.8%)	(-2.4%)

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S-3

Sales by Segment

	FY2021			(Billions of Yen)
				FY2022
	First Half	Second Half	Fiscal Year	First Half
Smart Life	223.9	222.2	446.1	248.1
8K Ecosystem	276.0	291.5	567.6	295.4
ICT	162.1	161.9	324.0	159.4
Brand Businesses	662.1	675.7	1,337.8	703.0
Display Device	436.7	422.8	859.6	406.6
Electronic Device	170.0	226.7	396.8	187.8
Device Businesses	606.8	649.6	1,256.5	594.4
Subtotal	1,269.0	1,325.3	2,594.4	1,297.5
Adjustments	-50.8	-47.9	-98.8	-39.5
Total	1,218.2	1,277.3	2,495.5	1,257.9

*Sales include inter-segment sales and transfers.

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S-4

Operating Profit by Segment

	FY2021			(Billions of Yen)
				FY2022
	First Half	Second Half	Fiscal Year	First Half
Smart Life	24.4 (10.9%)	23.8 (10.7%)	48.2 (10.8%)	16.8 (6.8%)
8K Ecosystem	11.5 (4.2%)	13.4 (4.6%)	24.9 (4.4%)	8.1 (2.8%)
ICT	3.1 (1.9%)	0.9 (0.6%)	4.0 (1.2%)	-9.3 (-5.9%)
Brand Businesses	39.1 (5.9%)	38.1 (5.6%)	77.2 (5.8%)	15.7 (2.2%)
Display Device	9.3 (2.1%)	11.0 (2.6%)	20.3 (2.4%)	-12.3 (-3.0%)
Electronic Device	0.3 (0.2%)	6.6 (2.9%)	6.9 (1.8%)	7.4 (3.9%)
Device Businesses	9.6 (1.6%)	17.6 (2.7%)	27.3 (2.2%)	-4.9 (-0.8%)
Subtotal	48.8 (3.8%)	55.7 (4.2%)	104.6 (4.0%)	10.7 (0.8%)
Adjustments	-9.8	-10.0	-19.8	-8.3
Total	39.0 (3.2%)	45.6 (3.6%)	84.7 (3.4%)	2.4 (0.2%)

*Figures within parentheses indicate operating margin.

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S-5

Quarterly Sales by Segment

	(Billions of Yen)					
	FY2021				FY2022	
	Q1	Q2	Q3	Q4	Q1	Q2
Smart Life	111.0	112.9	107.3	114.9	110.9	137.2
8K Ecosystem	137.5	138.5	148.9	142.6	139.8	155.6
ICT	80.2	81.8	82.2	79.6	70.0	89.4
Brand Businesses	328.7	333.3	338.5	337.2	320.8	382.2
Display Device	213.3	223.4	221.8	201.0	189.4	217.1
Electronic Device	96.5	73.5	139.5	87.1	68.9	118.8
Device Businesses	309.8	297.0	361.3	288.2	258.3	336.0
Subtotal	638.6	630.3	699.9	625.4	579.2	718.3
Adjustments	-27.0	-23.7	-24.0	-23.9	-17.0	-22.4
Total	611.5	606.6	675.8	601.5	562.1	695.8

*Sales include inter-segment sales and transfers.

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S-6

Quarterly Operating Profit by Segment

	(Billions of Yen)					
	FY2021				FY2022	
	Q1	Q2	Q3	Q4	Q1	Q2
Smart Life	12.6 (11.4%)	11.8 (10.5%)	11.6 (10.9%)	12.1 (10.6%)	7.1 (6.4%)	9.7 (7.1%)
8K Ecosystem	4.1 (3.0%)	7.3 (5.3%)	6.8 (4.6%)	6.5 (4.6%)	4.3 (3.1%)	3.7 (2.4%)
ICT	2.1 (2.7%)	0.9 (1.2%)	2.1 (2.7%)	-1.2 (-1.6%)	-2.5 (-3.7%)	-6.7 (-7.6%)
Brand Businesses	18.9 (5.8%)	20.2 (6.1%)	20.7 (6.1%)	17.4 (5.2%)	8.9 (2.8%)	6.7 (1.8%)
Display Device	3.3 (1.6%)	5.9 (2.7%)	5.6 (2.5%)	5.3 (2.7%)	0.6 (0.3%)	-12.9 (-6.0%)
Electronic Device	1.0 (1.1%)	-0.7 (-1.0%)	5.6 (4.1%)	0.9 (1.1%)	0.0 (0.0%)	7.4 (6.2%)
Device Businesses	4.3 (1.4%)	5.2 (1.8%)	11.2 (3.1%)	6.3 (2.2%)	0.6 (0.2%)	-5.5 (-1.7%)
Subtotal	23.3 (3.7%)	25.5 (4.0%)	31.9 (4.6%)	23.7 (3.8%)	9.6 (1.7%)	1.1 (0.2%)
Adjustments	-4.9	-4.8	-7.1	-2.9	-3.4	-4.8
Total	18.3 (3.0%)	20.6 (3.4%)	24.8 (3.7%)	20.8 (3.5%)	6.1 (1.1%)	-3.6 (-0.5%)

*Figures within parentheses indicate operating margin.

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S-7

Capital Investment / Depreciation and Amortization

	(Billions of Yen)					
	FY2021			FY2022		
	First Half	Second Half	Fiscal Year	First Half	Second-half Forecast	Fiscal Year Forecast
Capital Investment	30.4	21.2	51.7	20.5	64.5	85.0
Displays	10.4	6.1	16.5	4.2	36.8	41.0
Depreciation and Amortization	31.2	34.7	65.9	36.6	43.4	80.0
R&D Expenditures	39.9	46.3	86.2	39.9	55.1	95.0

Avg. Exchange Rate	(Yen)				
	FY2021			FY2022	
	First Half	Second Half	Fiscal Year	First Half	Second-half Forecast
US Dollar	108.80	113.96	111.38	132.98	145.00
Euro	129.39	128.73	129.06	137.22	140.00

Quarterly Capital Investment and Depreciation, etc.

	(Billions of Yen)					
	FY2021				FY2022	
	Q1	Q2	Q3	Q4	Q1	Q2
Capital Investment	13.4	17.0	11.0	10.2	5.0	15.5
Displays	7.4	3.0	2.4	3.6	0.9	3.3
Depreciation and Amortization	15.3	15.9	16.8	17.9	15.6	21.0
R&D Expenditures	19.6	20.3	19.2	27.0	18.7	21.1

Avg. Exchange Rate	(Yen)					
	FY2021				FY2022	
	Q1	Q2	Q3	Q4	Q1	Q2
US Dollar	108.49	109.11	112.71	115.21	128.57	137.38
Euro	130.45	128.33	128.57	128.90	136.60	137.84

Forward-Looking Statements

This presentation contains certain statements about the future plans, strategies, and performance of Sharp Corporation and its consolidated subsidiaries (“the Company” or “Sharp”). Statements not based on historical or present facts are assumptions and estimates based on information available at the time. Future plans, strategies, and performance are subject to known and unknown risks, uncertainties, and other factors. Actual performance, business activities, and financial position may differ materially from the assumptions and estimates provided herein due to risks, uncertainties, and other factors. Sharp is under no obligation to update these forward-looking statements in light of new information, future events, or other factors. Risks, uncertainties, and other matters that could affect actual results include, but are not limited to, to the following factors:

- (1) The economic conditions in which Sharp operates
- (2) Sudden, rapid fluctuations in demand for Sharp products and services, as well as intensified price competition
- (3) Exchange rate fluctuations (particularly between the yen and the U.S. dollar, the euro, and other currencies)
- (4) Regulations, including trade restrictions with other countries
- (5) The progress of collaborations and alliances with other companies
- (6) Litigation and other legal proceedings against Sharp
- (7) Rapid technological changes in products and services, etc.

*Amounts less than 100 million yen shown in this presentation material have been rounded down.

*Year-on-year change has been calculated based on 100 million yen units. Percentage change has been calculated based on actual figures.

*Bottom-line profit: Profit attributable to owners of parent

*Segment Name Abbreviations:

Smart Life: SL 8K Ecosystem: 8K ICT: ICT Display Device: DD Electronic Device: ED

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