



# **Consolidated Financial Results for the First Quarter, Fiscal 2023**

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- I . Consolidated Financial Results for the  
First Quarter, Fiscal 2023**
  - II . Consolidated Financial Results Forecast  
for Fiscal 2023**
  - III . Supplementary Data**
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**SHARP CORPORATION**

**August 4, 2023**

# Outline

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- Net sales for Q1, fiscal 2023 decreased year on year. While Electronic Device grew, other four segments declined.
- Although operating profit, ordinary profit and bottom-line profit were lower year on year, these results outperformed Q4, fiscal 2022.
- As our performance has been in line with expectations, we have left our financial results forecast for fiscal 2023 unchanged and we continue to work on achieving bottom-line profit in fiscal 2023.

At the same time, we will proceed with defining new businesses as quickly as possible and accelerating business reform, while we continue to build a business structure centered on our Brand Business as we expand over the medium and long term.

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- First, let's take a look at a summary of our consolidated financial results.
- Net sales for the Q1, fiscal 2023 decreased year on year. While Electronic Device grew, the other four segments declined.
- Although operating profit, ordinary profit and bottom-line profit were lower year on year, these results outperformed Q4, fiscal 2022.
- As our performance has been in line with expectations, we have left our financial results forecast for fiscal 2023 unchanged and continue to work on achieving bottom-line profit in fiscal 2023.

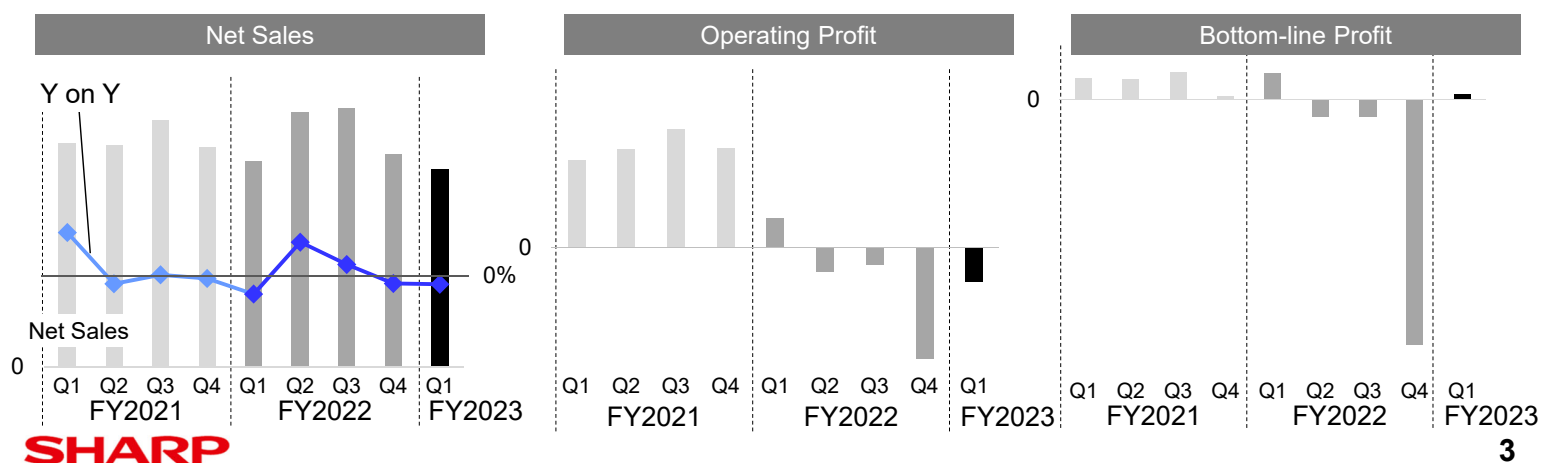
At the same time, we will proceed with defining new businesses as quickly as possible and accelerating business reform, while we continue to build a business structure centered on our Brand Business as we expand over the medium and long term.

# I . Consolidated Financial Results for the First Quarter, Fiscal 2023

- Next, let's look at an overview of our consolidated financial results for the Q1, fiscal 2023.

# Consolidated Financial Results for the First Quarter, Fiscal 2023

(Billions of Yen)	FY2022				FY2023	
	Q1	Q2	Q3	Q4	Q1	Y on Y
<b>Net Sales</b>	<b>562.1</b>	<b>695.8</b>	<b>709.0</b>	<b>581.0</b>	<b>541.2</b>	-3.7%
<b>Operating Profit</b>	<b>6.1</b> (1.1%)	<b>-5.0</b> (-0.7%)	<b>-3.5</b> (-0.5%)	<b>-23.1</b> (-4.0%)	<b>-7.0</b> (-1.3%)	-
<b>Ordinary Profit</b>	<b>17.4</b> (3.1%)	<b>-8.2</b> (-1.2%)	<b>-11.0</b> (-1.6%)	<b>-28.6</b> (-4.9%)	<b>-0.5</b> (-0.1%)	-
<b>Bottom-line Profit</b>	<b>26.9</b> (4.8%)	<b>-17.4</b> (-2.5%)	<b>-18.4</b> (-2.6%)	<b>-251.8</b> (-43.3%)	<b>5.5</b> (1.0%)	-79.5%
<b>Avg. Exchange Rates</b>						
USD/JPY	128.57	137.38	140.60	131.35	137.37	
Euro/JPY	136.60	137.84	142.81	140.60	149.46	



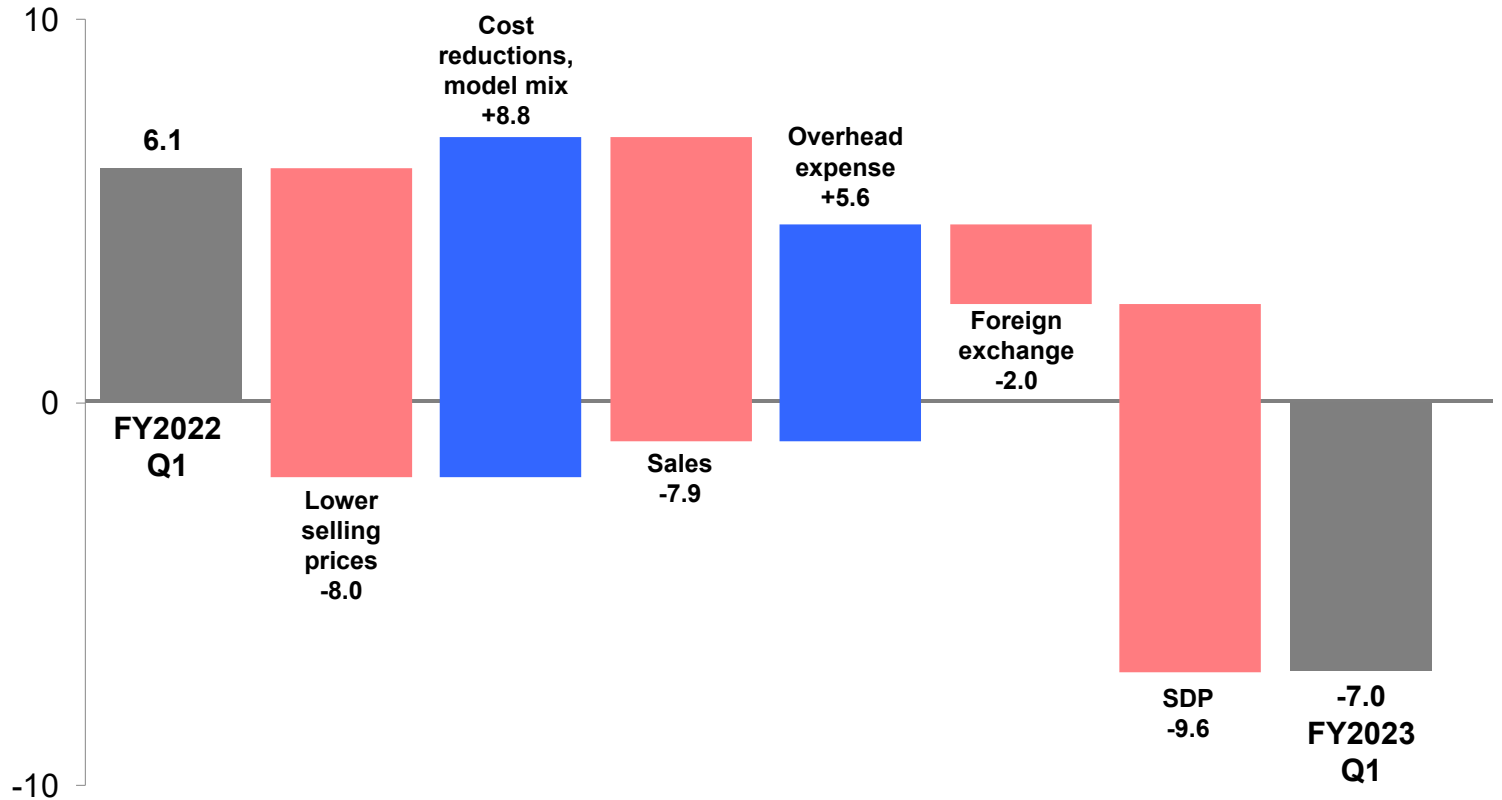
- Let's turn to the next slide, which provides highlights of our financial results for the Q1, fiscal 2023.
- Net sales amounted to 541.2 billion, a decrease of 3.7% year on year.
- Operating loss amounted to 7.0 billion yen, ordinary loss amounted to 0.5 billion yen, and bottom-line profit amounted to 5.5 billion yen.

Although profits were lower than in the same period last year, these results significantly outperformed Q4, fiscal 2022.

# Operating Profit Analysis : Y on Y Change Factors for the First Quarter, Fiscal 2023

(Management accounting)

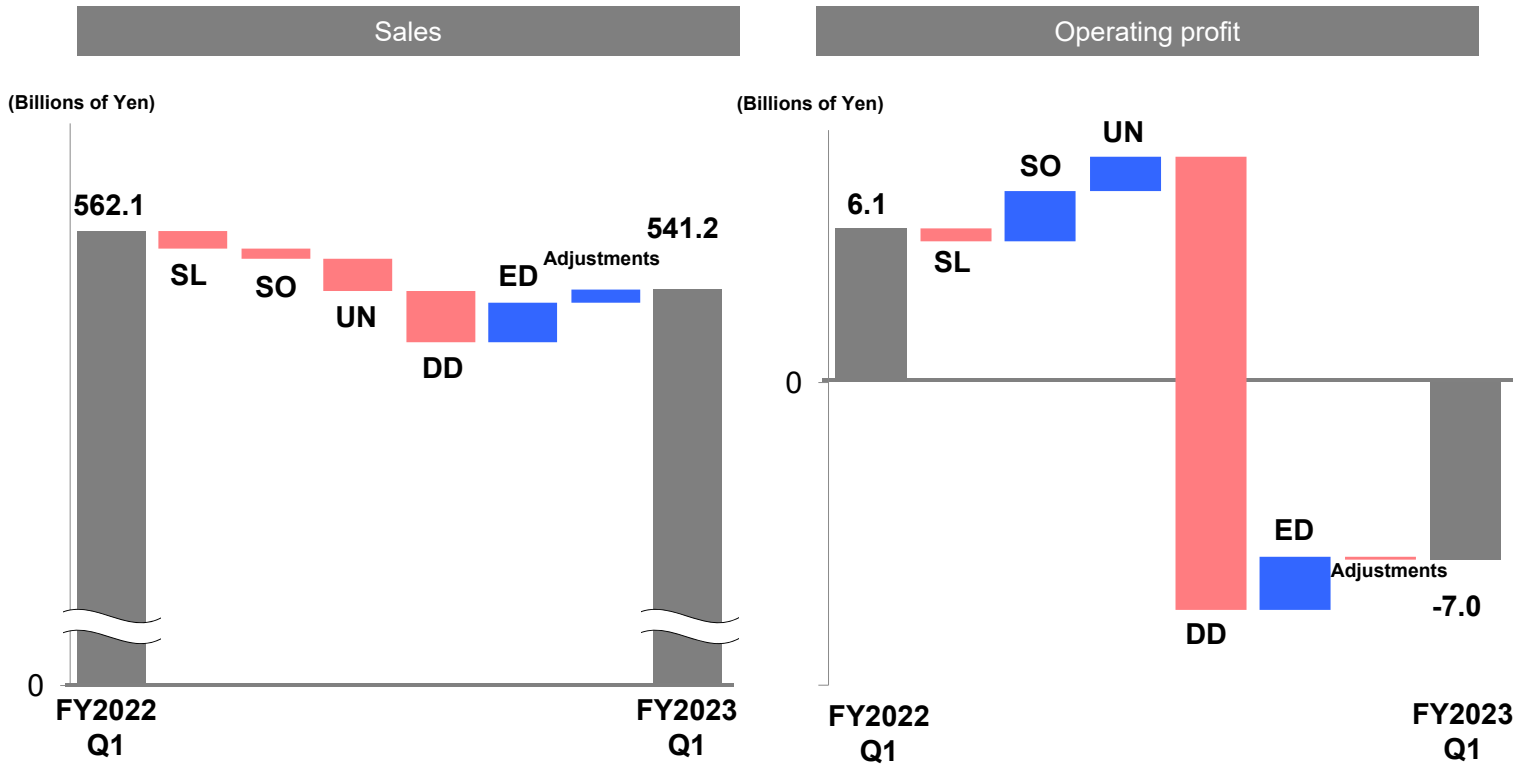
(Billions of Yen)



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- The next graph shows our analysis of year-on-year changes by factors in operating profit for the Q1, fiscal 2023.

# Sales and Operating Profit Analysis: Y on Y Change by Segment for the First Quarter, Fiscal 2023



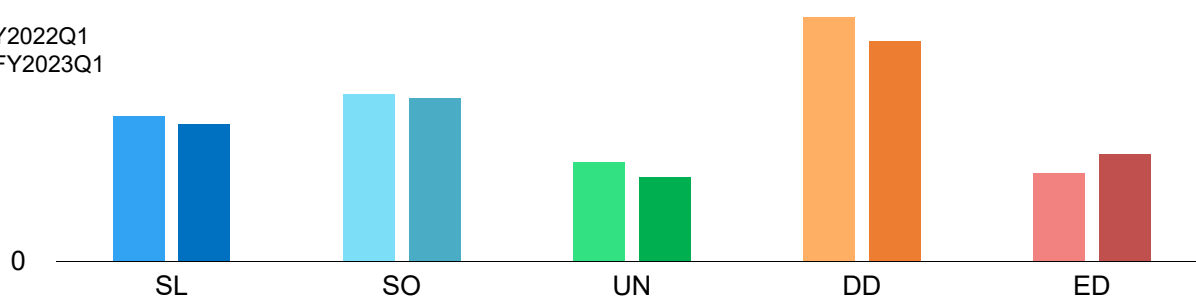
- The next graphs provide a year-on-year change analysis by segment for sales and operating profit for the Q1, fiscal 2023.

As you can see in the graph on the right, Display Device was the major factor to the decline in operating profit.

# (First Quarter) Sales by Segment

(Billions of Yen)	FY2022				FY2023	
	Q1	Q2	Q3	Q4	Q1	Y on Y
Smart Life & Energy	113.2	139.2	113.6	110.6	106.6	-5.8%
Smart Office	130.2	151.5	132.6	147.3	126.6	-2.8%
Universal Network	77.2	86.2	93.7	76.9	65.7	-14.9%
<b>Brand Businesses</b>	<b>320.7</b>	<b>376.9</b>	<b>339.9</b>	<b>335.0</b>	<b>299.0</b>	<b>-6.8%</b>
Display Device	189.4	217.1	217.8	135.5	171.3	-9.6%
Electronic Device	68.9	118.8	164.4	123.3	83.2	+20.8%
<b>Device Businesses</b>	<b>258.3</b>	<b>336.0</b>	<b>382.2</b>	<b>258.8</b>	<b>254.5</b>	<b>-1.5%</b>
<b>Subtotal</b>	<b>579.1</b>	<b>712.9</b>	<b>722.2</b>	<b>593.8</b>	<b>553.6</b>	<b>-4.4%</b>
<b>Adjustments</b>	<b>-16.9</b>	<b>-17.1</b>	<b>-13.1</b>	<b>-12.8</b>	<b>-12.3</b>	<b>-</b>
<b>Total</b>	<b>562.1</b>	<b>695.8</b>	<b>709.0</b>	<b>581.0</b>	<b>541.2</b>	<b>-3.7%</b>

Left bar, FY2022Q1  
Right bar, FY2023Q1



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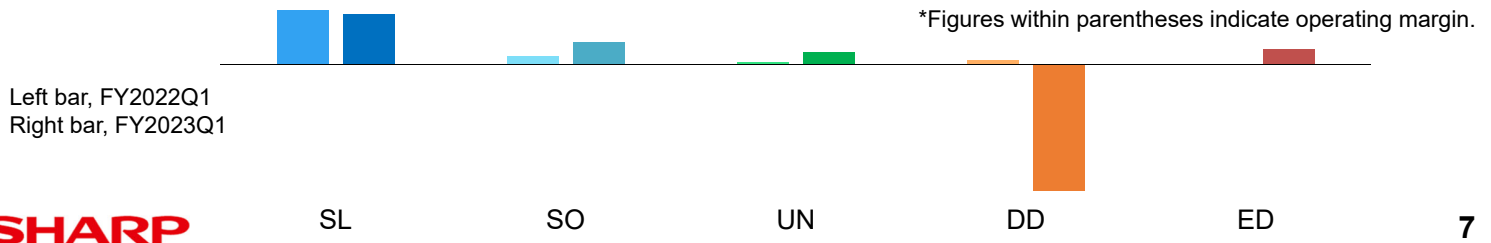
\*Sales include inter-segment sales and transfers.

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- This next slide shows sales by segment.
- Brand Business sales decreased 6.8% year on year to 299.0 billion yen, while Device Business sales decreased 1.5% to 254.5 billion yen.

# (First Quarter) Operating Profit by Segment

(Billions of Yen)	FY2022				FY2023	
	Q1	Q2	Q3	Q4	Q1	Y on Y
<b>Smart Life &amp; Energy</b>	<b>7.4</b> (6.6%)	<b>9.9</b> (7.2%)	<b>6.0</b> (5.4%)	<b>5.8</b> (5.3%)	<b>6.9</b> (6.5%)	-7.1%
<b>Smart Office</b>	<b>1.1</b> (0.9%)	<b>1.3</b> (0.9%)	<b>2.6</b> (2.0%)	<b>9.3</b> (6.4%)	<b>3.1</b> (2.5%)	+168.8%
<b>Universal Network</b>	<b>0.3</b> (0.5%)	<b>-4.6</b> (-5.3%)	<b>-2.3</b> (-2.5%)	<b>-1.2</b> (-1.6%)	<b>1.7</b> (2.7%)	+378.7%
<b>Brand Businesses</b>	<b>8.9</b> (2.8%)	<b>6.7</b> (1.8%)	<b>6.4</b> (1.9%)	<b>13.9</b> (4.2%)	<b>11.7</b> (3.9%)	+31.5%
<b>Display Device</b>	<b>0.6</b> (0.3%)	<b>-14.4</b> (-6.6%)	<b>-13.6</b> (-6.3%)	<b>-39.1</b> (-28.9%)	<b>-17.3</b> (-10.1%)	-
<b>Electronic Device</b>	<b>0.0</b> (0.0%)	<b>7.4</b> (6.2%)	<b>5.9</b> (3.6%)	<b>1.4</b> (1.2%)	<b>2.0</b> (2.5%)	-
<b>Device Businesses</b>	<b>0.6</b> (0.2%)	<b>-6.9</b> (-2.1%)	<b>-7.7</b> (-2.0%)	<b>-37.6</b> (-14.5%)	<b>-15.2</b> (-6.0%)	-
<b>Subtotal</b>	<b>9.6</b> (1.7%)	<b>-0.2</b> (-0.0%)	<b>-1.2</b> (-0.2%)	<b>-23.6</b> (-4.0%)	<b>-3.4</b> (-0.6%)	-
<b>Adjustments</b>	<b>-3.4</b>	<b>-4.8</b>	<b>-2.2</b>	<b>0.4</b>	<b>-3.6</b>	-
<b>Total</b>	<b>6.1</b> (1.1%)	<b>-5.0</b> (-0.7%)	<b>-3.5</b> (-0.5%)	<b>-23.1</b> (-4.0%)	<b>-7.0</b> (-1.3%)	-



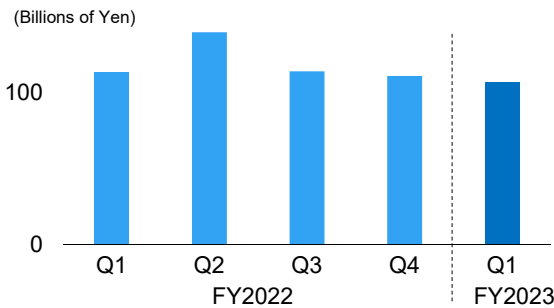
- Let's turn to the next slide, which shows operating profit by segment.
- Brand Businesses recorded an operating profit of 11.7 billion yen, up 31.5% year on year. Device Businesses recorded an operating loss of 15.2 billion yen, 15.8 billion yen lower than the 0.6 billion yen in operating profit posted in the same period in the previous fiscal year.

While the Display Device segment recorded an operating loss, the other four segments were in the black.



(Billions of Yen)	FY2022				FY2023	
	Q1	Q2	Q3	Q4	Q1	Y on Y
<b>Sales</b>	113.2	139.2	113.6	110.6	106.6	-5.8%
<b>Operating Profit</b>	7.4	9.9	6.0	5.8	6.9	-7.1%
<b>Profit</b>	(6.6%)	(7.2%)	(5.4%)	(5.3%)	(6.5%)	

## Sales (Decrease)



(Dec.) Sales of refrigerators, cooking appliances, and air purifiers declined due to sluggish market conditions.

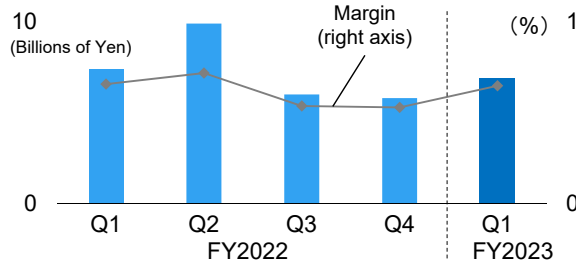
(Dec.) The energy solutions business saw a decline in EPC sales.

(Incr.) Sales of washing machines rose significantly in Japan.

(Incr.) Sales of air conditioners increased significantly in Asia and other overseas markets.

(Incr.) In the energy solutions business, sales of household products grew in Japan .

## Operating profit (Decrease)



(Dec.) Decrease in sales

(Incr.) Sales for high-value-added products grew in each business, including the washing machine and vacuum cleaner businesses in Japan

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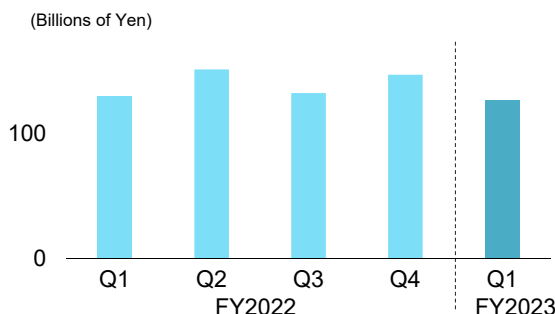
- Please turn to the next slide. This is our performance by segment. First, I want to address our Smart Life & Energy segment.
- Sales decreased 5.8% year on year to 106.6 billion yen. Both the white goods business and the energy solutions business posted lower sales.
 

In the white goods business, sales of refrigerators, cooking appliances, and air purifiers declined due to sluggish market conditions. On the other hand, sales of washing machines rose significantly in Japan due to their shift to high-value-added products, and sales of air conditioners increased significantly in Asia and other overseas markets.

In the energy solutions business, the EPC business recorded lower sales, while household products in Japan grew year on year.
- Operating profit decreased 7.1% year on year to 6.9 billion yen, due to lower sales. However, the white goods business saw an increase in profit due to increase in high-value-added goods sales in each of its businesses, including the washing machines in Japan.

(Billions of Yen)	FY2022				FY2023	
	Q1	Q2	Q3	Q4	Q1	Y on Y
<b>Sales</b>	130.2	151.5	132.6	147.3	126.6	-2.8%
<b>Operating Profit</b>	1.1	1.3	2.6	9.3	3.1	+168.8%
	(0.9%)	(0.9%)	(2.0%)	(6.4%)	(2.5%)	

## Sales (Decrease)



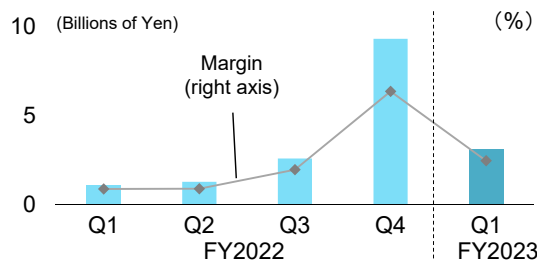
(Dec.) Sales of information displays decreased due to severe price competition.

(Dec.) In the PC business, we withdrew from Europe as a result of structural reform.

(Incr.) MFP business and office solution business remained strong, especially in Europe and the U.S.

(Incr.) In the PC business, sales in domestic B2B business rose more than 10% due to growth in education-related business.

## Operating profit (Increase)



(Incr.) PC business profitability improved significantly due to the progress in structural reforms

(Incr.) Shift toward high-value-added offerings in the office solution business

(Incr.) Increase in MFP business sales

(Dec.) Decrease in information display sales

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▪ The next slide describes performance in our Smart Office.

▪ Sales decreased 2.8% year on year to 126.6 billion yen.

In the business solutions business, the MFP business and office solutions business continued to post firm sales, especially in Europe and the U.S. On the other hand, sales of information display decreased year on year, as price competition was severe.

In the PC business, while we withdrew from Europe as a result of structural reform, sales in domestic B2B business rose more than 10% due to growth in education-related business.

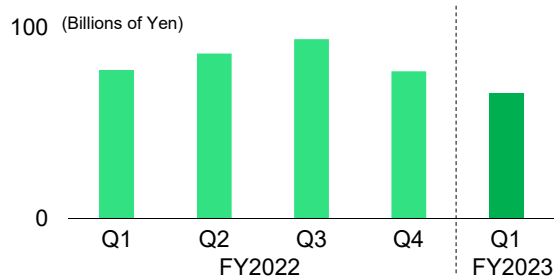
▪ Operating profit increased 168.8% to 3.1 billion yen.

Despite the impact of lower sales in the information display business, the profitability of the PC business improved significantly due to the progress in structural reforms, the office solutions business shifted toward high-value-added offerings, and the MFP business posted higher sales.

(Billions of Yen)

	FY2022				FY2023	
	Q1	Q2	Q3	Q4	Q1	Y on Y
<b>Sales</b>	77.2	86.2	93.7	76.9	65.7	-14.9%
<b>Operating Profit</b>	0.3 (0.5%)	-4.6 (-5.3%)	-2.3 (-2.5%)	-1.2 (-1.6%)	1.7 (2.7%)	+378.7%

## Sales (Decrease)



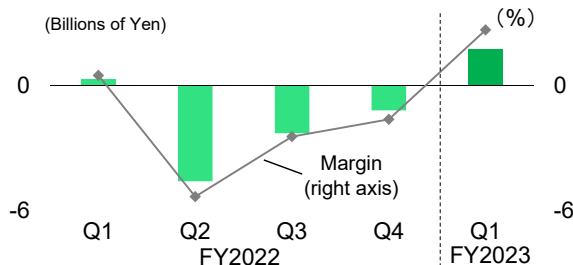
(Dec.) Market conditions for the TV business deteriorated in Japan, China, and other regions.

(Dec.) In the mobile communication business, domestic demand continues to slow.

(Incr.) In the TV business, selling prices increased and sales for high-value-added models grew.

(Incr.) In the mobile communication business, sales of flagship smartphones grew and a review of selling prices progressed.

## Operating profit (Increase)



(Incr.) Sales for high-value-added products grew

(Incr.) Increase in selling prices

(Dec.) Decrease in sales

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- Please turn to the next slide. This slide shows performance for Universal Network.
- Sales declined 14.9% year on year to 65.7 billion yen. Both the TV business and the mobile communication business posted lower sales.
 

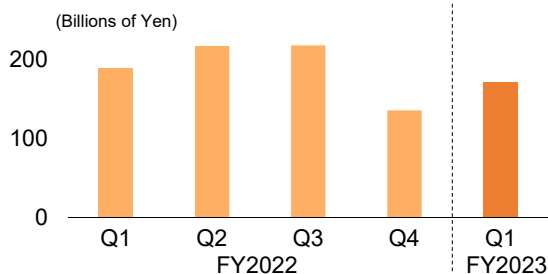
TV business sales decreased in Japan, China, etc., due to sluggish market conditions, although the selling prices increased and sales for high-value-added models grew.

Mobile communication business posted lower sales as domestic demand continues to slow, while sales of flagship smartphones increased and a review of selling prices progressed.
- Despite the impact of lower sales, operating profit increased 378.7% to 1.7 billion yen due to increased sales for high-value-added products and higher selling prices.

# Display Device

(Billions of Yen)	FY2022				FY2023	
	Q1	Q2	Q3	Q4	Q1	Y on Y
<b>Sales</b>	189.4	217.1	217.8	135.5	171.3	-9.6%
<b>Operating Profit</b>	0.6 (0.3%)	-14.4 (-6.6%)	-13.6 (-6.3%)	-39.1 (-28.9%)	-17.3 (-10.1%)	-

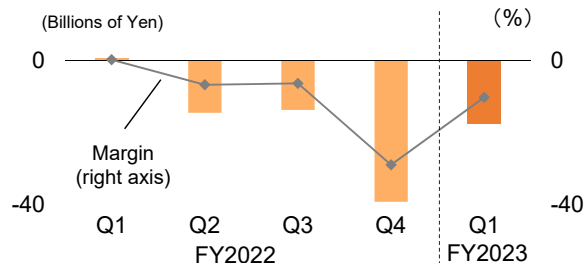
## Sales (Decrease)



(Dec.) Decrease in panel sales for smartphones and PCs due to challenging market condition

(Incr.) Growth in panel sales for automotive and other applications

## Operating profit (Decrease)



(Dec.) Decrease in sales

(Dec.) Impact of large-size display business

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- Let's turn to the next slide, which shows performance in our Display Device.
- Sales decreased 9.6% year on year to 171.3 billion yen.

While panels sales grew for automotive, sales of panels for smartphones and PCs declined due to challenging market condition.

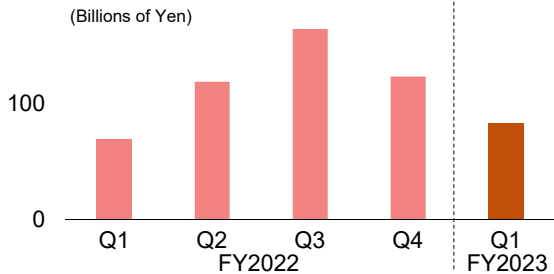
- Operating loss amounted to 17.3 billion yen, 17.9 billion yen lower than the 0.6 billion yen in operating profit posted in the previous fiscal year. This was mainly due to lower sales and the impact from the large-size display business.

Although the large-size display business posted a loss, the deficit narrowed due to the effects of impairment losses recorded in Q4, fiscal 2022, continued efforts to reduce costs, and market conditions that were on a recovery trend.

(Billions of Yen)

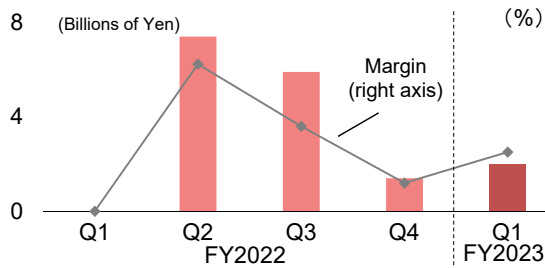
	FY2022				FY2023	
	Q1	Q2	Q3	Q4	Q1	Y on Y
<b>Sales</b>	<b>68.9</b>	<b>118.8</b>	<b>164.4</b>	<b>123.3</b>	<b>83.2</b>	+20.8%
<b>Operating Profit</b>	<b>0.0</b> (0.0%)	<b>7.4</b> (6.2%)	<b>5.9</b> (3.6%)	<b>1.4</b> (1.2%)	<b>2.0</b> (2.5%)	-

### Sales (Increase)



(Incr.) Device sales for customer 2022 models were firm

### Operating profit (Increase)



(Incr.) Increase in sales



- This next slide shows Electronic Device performance.
- Device sales for customer 2022 models were firm, and sales rose 20.8% year on year to 83.2 billion yen.
- Operating profit rose to 2.0 billion yen due to the increase in sales, compared with a small profit in the same period of the previous year.

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

(Billions of Yen)	FY2022				FY2023	
	Q1	Q2	Q3	Q4	Q1	Difference (Y on Y)
<b>Operating Profit</b>	<b>6.1</b>	<b>-5.0</b>	<b>-3.5</b>	<b>-23.1</b>	<b>-7.0</b>	-13.1
<b>Non-operating Income (Expenses)</b>	<b>+11.3</b>	<b>-3.1</b>	<b>-7.5</b>	<b>-5.4</b>	<b>+6.5</b>	-4.8
Interest expenses	-0.9	-2.6	-2.9	-2.7	-2.9	-2.0
Foreign exchange gains (losses)	+13.0	+5.7	-1.1	-0.3	+6.2	-6.8
Investment income (expenses)	+4.1	+1.5	+0.8	+0.2	+0.2	-3.9
Share of profit (loss) of entities accounted for using equity method	-5.1	-6.9	-5.7	-2.5	+1.3	+6.4
<b>Ordinary Profit</b>	<b>17.4</b>	<b>-8.2</b>	<b>-11.0</b>	<b>-28.6</b>	<b>-0.5</b>	-17.9
<b>Extraordinary Income (Losses)</b>	<b>+12.2</b>	<b>-1.3</b>	<b>+3.3</b>	<b>-222.7</b>	<b>+9.3</b>	-2.9
Gain (loss) on sale of non-current assets	+0.9	+1.0	+4.7	+0.4	+0.5	-0.4
Gain on step acquisitions	+12.4	-	-	-	+1.3	-11.1
Gain on change in equity	+0.2	-	-	-	+4.2	+4.0
Gain on reversal of liabilities	-	-	-	-	+4.8	+4.8
Business restructuring expenses	-	-1.0	-0.3	-3.0	-	-
Impairment losses	-	-	-0.5	-219.9	-1.4	-1.4
Provision for loss on litigation	-1.4	-0.8	+0.2	-0.0	-	+1.4
<b>Pretax Income</b>	<b>29.6</b>	<b>-9.6</b>	<b>-7.6</b>	<b>-251.4</b>	<b>8.8</b>	-20.8
<b>Income Taxes, etc.</b>	<b>-2.7</b>	<b>-7.8</b>	<b>-10.7</b>	<b>-0.4</b>	<b>-3.2</b>	-0.5
<b>Bottom-line Profit</b>	<b>26.9</b>	<b>-17.4</b>	<b>-18.4</b>	<b>-251.8</b>	<b>5.5</b>	-21.4

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- The next slide addresses non-operating income, extraordinary income, and income taxes.
- We recorded foreign exchange gains under non-operating income and gain on change in equity under extraordinary income, etc.

# Consolidated Balance Sheets

- Cash and deposits as of the end of first quarter, fiscal 2023, amounted to 209.0 billion yen, net assets amounted to 272.5 billion yen, and equity ratio amounted to 14.7%

(Billions of Yen)

	FY2022		FY2023		FY2022		FY2023
	End of Dec.	End of Mar.	End of Jun.		End of Dec.	End of Mar.	End of Jun.
Cash and deposits	262.8	262.0	209.0	Notes and accounts payable – trade, etc.	457.0	371.8	372.3
Notes and accounts receivable – trade, etc.	506.7	438.0	425.6	Short-term borrowings	133.9	163.8	177.7
Inventories	357.8	299.3	307.3	Current portion of bonds payable	0.0	0.0	0.0
Other current assets	91.3	87.6	94.8	Other current liabilities	359.7	346.7	336.0
<b>Current Assets</b>	<b>1,218.9</b>	<b>1,087.0</b>	<b>1,036.9</b>	<b>Current Liabilities</b>	<b>950.7</b>	<b>882.5</b>	<b>886.2</b>
Property, plant and Equipment	545.4	389.2	395.0	Bonds payable	0.0	0.0	0.0
Intangible assets	104.1	35.8	39.9	Long-term borrowings	585.4	542.7	467.0
Investments and other Assets	264.0	260.7	282.4	Other non-current liabilities	121.2	125.3	128.4
<b>Non-current Assets</b>	<b>913.7</b>	<b>685.8</b>	<b>717.4</b>	<b>Non-current Liabilities</b>	<b>706.6</b>	<b>668.0</b>	<b>595.5</b>
<b>Total Assets</b>	<b>2,132.6</b>	<b>1,772.9</b>	<b>1,754.3</b>	<b>Net Assets</b>	<b>475.2</b>	<b>222.3</b>	<b>272.5</b>
				<b>Total Liabilities and Net Assets</b>	<b>2,132.6</b>	<b>1,772.9</b>	<b>1,754.3</b>
Exchange Rate, End of Period							
USD/JPY	131.70	132.54	144.99	Equity Ratio	21.6%	11.8%	14.7%
Euro/JPY	139.94	144.22	157.56	Equity	459.8	208.4	258.3

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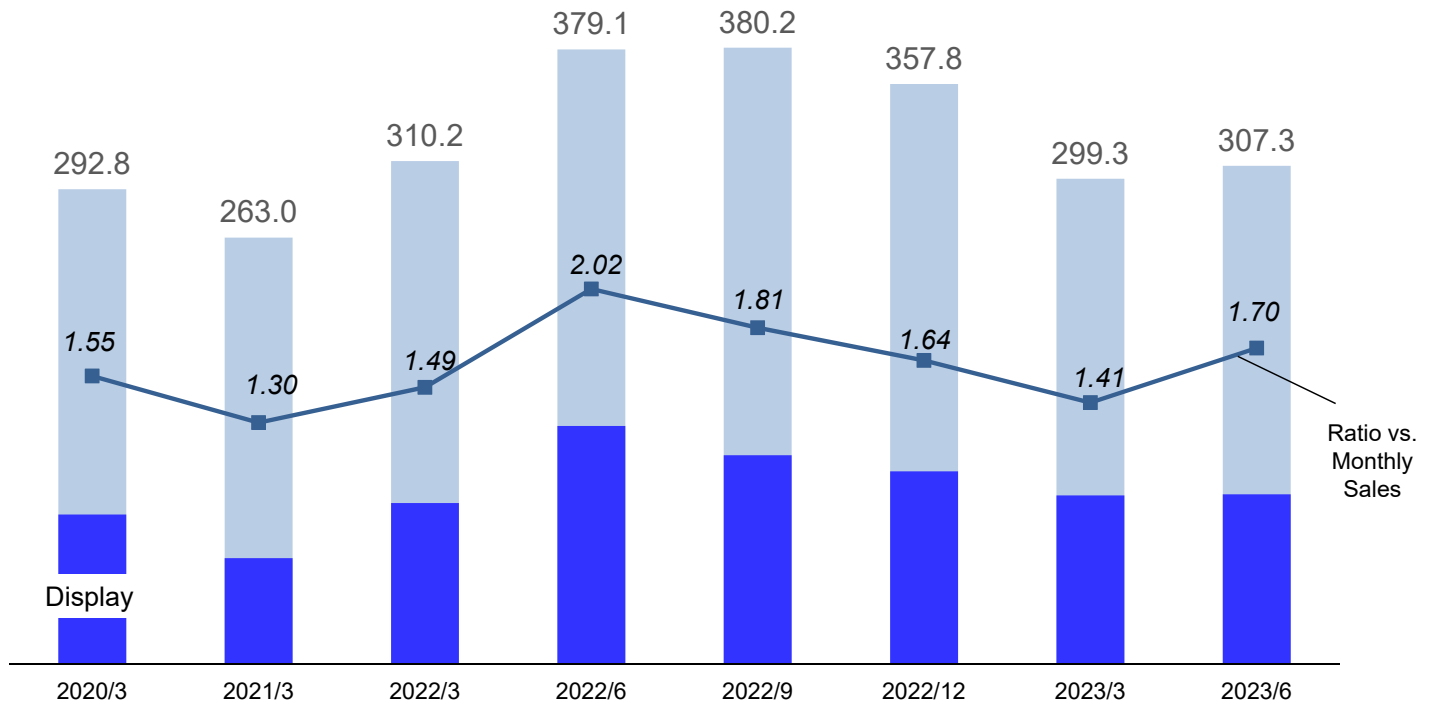
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- The next slide provides information about our balance sheets.
- Cash and deposits amounted to 209.0 billion yen compared with the balance of 262.0 billion yen at the end of March 2023.  
Net assets amounted to 272.5 billion yen compared to 222.3 billion yen, while our equity ratio was 14.7%, up from 11.8%.

# Inventory Trends

Inventory was at an appropriate level in line with the sales plan for the second quarter onward.

(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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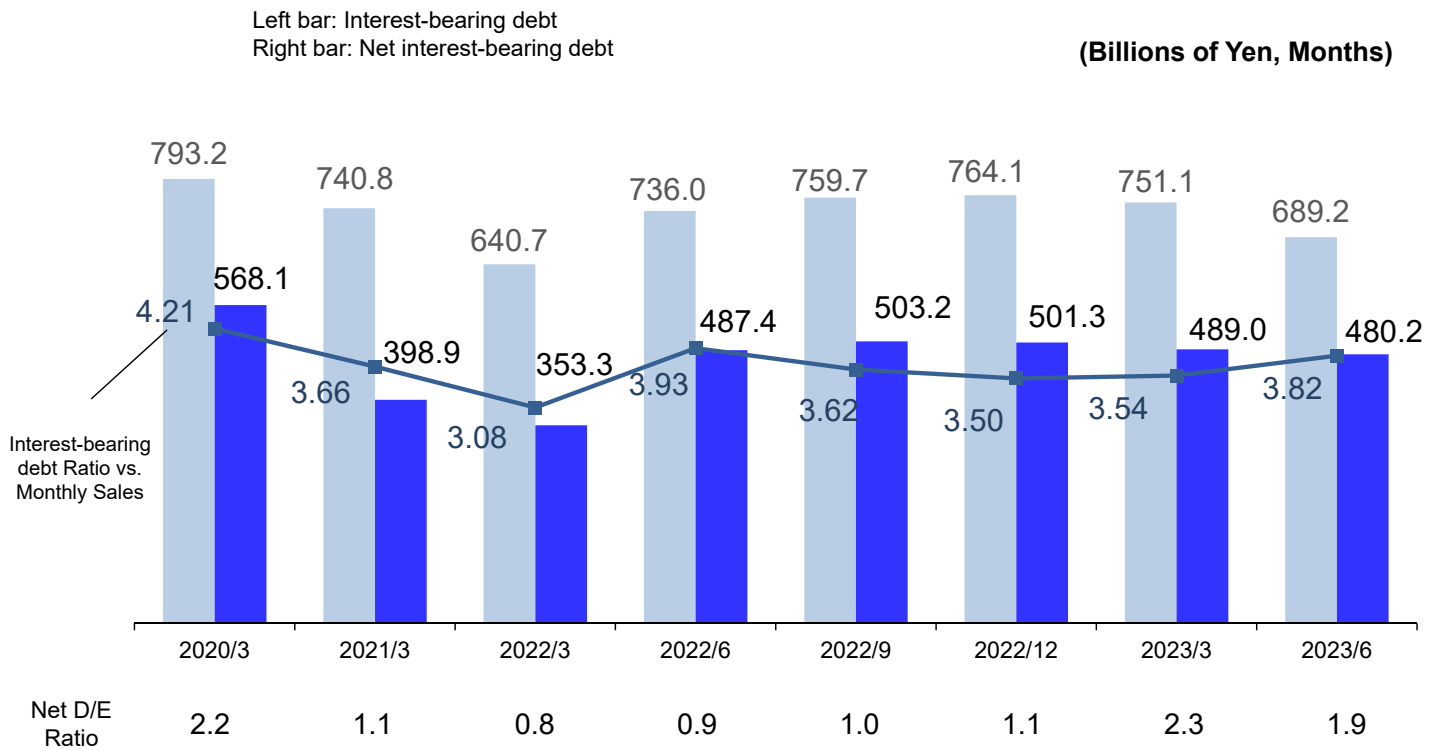
15

- The next slide discusses our inventory trends.
- Inventory at the end of June 2023 was 307.3 billion yen up 8.0 billion yen compared to the end of March 2023 and are at an appropriate level in line with the sales plan for the second quarter onward.
- We will continue to monitor changes in the situation and strive to manage inventories appropriately.



# Interest-Bearing Debt Trends

- We endeavored to lower working capital, reducing net interest-bearing debt by 8.8 billion yen in Q1, from 489.0 billion yen to 480.2 billion yen.



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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.
- We endeavored to lower working capital, reducing net interest-bearing debt by 8.8 billion yen in Q1, from 489.0 billion yen to 480.2 billion yen.

## II. Consolidated Financial Results Forecast for Fiscal 2023

- The next slide discusses our consolidated financial results forecasts for fiscal 2023.

# Consolidated Financial Results Forecast for Fiscal 2023

- Our performance has been in line with expectations, and we have left our financial results forecast for fiscal 2023 unchanged from our forecast announced on May 11.

(Billions of Yen)

	FY2022	FY2023	
	Fiscal Year	Fiscal Year Forecast	Y on Y
<b>Net Sales</b>	<b>2,548.1</b>	<b>2,560.0</b>	+0.5%
<b>Operating Profit</b>	<b>-25.7</b>	<b>40.0</b>	-
(margin)	(-1.0%)	(1.6%)	
<b>Ordinary Profit</b>	<b>-30.4</b>	<b>39.0</b>	-
(margin)	(-1.2%)	(1.5%)	
<b>Bottom-line Profit</b>	<b>-260.8</b>	<b>10.0</b>	-
(margin)	(-10.2%)	(0.4%)	
Avg. Exchange Rate			
USD/JPY	134.48	135.00	
Euro/JPY	139.46	145.00	

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- Let's turn to the next slide.
- Our performance has been in line with expectation, and we have left our financial results forecast for fiscal 2023 unchanged from our forecast announced on May 11.
- Although the business environment is expected to remain extremely severe, the entire company will engage in the detailed implementation of 開源節流 (pursuing opportunities and reducing expenditure) and aim to achieve bottom-line profit in fiscal 2023.
- Thank you for your attention.

## III. Supplementary Data

# Consolidated Financial Results

(Billions of Yen)

	FY2022			FY2023
	First Half	Second Half	Fiscal Year	Fiscal-Year Forecast
<b>Net Sales</b>	<b>1,257.9</b>	<b>1,290.1</b>	<b>2,548.1</b>	<b>2,560.0</b>
<b>Operating Profit</b>	<b>1.0</b>	<b>-26.7</b>	<b>-25.7</b>	<b>40.0</b>
(margin)	(0.1%)	(-2.1%)	(-1.0%)	(1.6%)
<b>Ordinary Profit</b>	<b>9.2</b>	<b>-39.7</b>	<b>-30.4</b>	<b>39.0</b>
(margin)	(0.7%)	(-3.1%)	(-1.2%)	(1.5%)
<b>Bottom-line Profit</b>	<b>9.4</b>	<b>-270.2</b>	<b>-260.8</b>	<b>10.0</b>
(margin)	(0.8%)	(-21.0%)	(-10.2%)	(0.4%)

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# Consolidated Quarterly Financial Results

(Billions of Yen)

	FY2022				FY2023
	Q1	Q2	Q3	Q4	Q1
<b>Net Sales</b>	<b>562.1</b>	<b>695.8</b>	<b>709.0</b>	<b>581.0</b>	<b>541.2</b>
<b>Operating Profit</b>	<b>6.1</b>	<b>-5.0</b>	<b>-3.5</b>	<b>-23.1</b>	<b>-7.0</b>
(margin)	(1.1%)	(-0.7%)	(-0.5%)	(-4.0%)	(-1.3%)
<b>Ordinary Profit</b>	<b>17.4</b>	<b>-8.2</b>	<b>-11.0</b>	<b>-28.6</b>	<b>-0.5</b>
(margin)	(3.1%)	(-1.2%)	(-1.6%)	(-4.9%)	(-0.1%)
<b>Bottom-line Profit</b>	<b>26.9</b>	<b>-17.4</b>	<b>-18.4</b>	<b>-251.8</b>	<b>5.5</b>
(margin)	(4.8%)	(-2.5%)	(-2.6%)	(-43.3%)	(1.0%)

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# Sales by Segment

(Billions of Yen)

	FY2022		
	First Half	Second Half	Fiscal Year
Smart Life & Energy	252.4	224.3	476.8
Smart Office	281.7	280.0	561.7
Universal Network	163.4	170.6	334.1
<b>Brand Businesses</b>	<b>697.7</b>	<b>675.0</b>	<b>1,372.7</b>
Display Device	406.6	353.3	759.9
Electronic Device	187.8	287.7	475.5
<b>Device Businesses</b>	<b>594.4</b>	<b>641.1</b>	<b>1,235.5</b>
<b>Subtotal</b>	<b>1,292.1</b>	<b>1,316.1</b>	<b>2,608.2</b>
<b>Adjustments</b>	<b>-34.1</b>	<b>-26.0</b>	<b>-60.1</b>
<b>Total</b>	<b>1,257.9</b>	<b>1,290.1</b>	<b>2,548.1</b>

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\*Sales include inter-segment sales and transfers.

**S-4**

# Operating Profit by Segment

(Billions of Yen)

	FY2022		
	First Half	Second Half	Fiscal Year
Smart Life & Energy	17.4 (6.9%)	11.9 (5.3%)	29.3 (6.2%)
Smart Office	2.5 (0.9%)	11.9 (4.3%)	14.5 (2.6%)
Universal Network	-4.2 (-2.6%)	-3.5 (-2.1%)	-7.8 (-2.3%)
<b>Brand Businesses</b>	<b>15.7</b> (2.3%)	<b>20.3</b> (3.0%)	<b>36.1</b> (2.6%)
Display Device	-13.7 (-3.4%)	-52.7 (-14.9%)	-66.4 (-8.7%)
Electronic Device	7.4 (3.9%)	7.3 (2.6%)	14.7 (3.1%)
<b>Device Businesses</b>	<b>-6.3</b> (-1.1%)	<b>-45.3</b> (-7.1%)	<b>-51.6</b> (-4.2%)
<b>Subtotal</b>	<b>9.3</b> (0.7%)	<b>-24.9</b> (-1.9%)	<b>-15.5</b> (-0.6%)
<b>Adjustments</b>	<b>-8.3</b>	<b>-1.7</b>	<b>-10.1</b>
<b>Total</b>	<b>1.0</b> (0.1%)	<b>-26.7</b> (-2.1%)	<b>-25.7</b> (-1.0%)

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\*Figures within parentheses indicate operating margin.

**S-5**

# Quarterly Sales by Segment

(Billions of Yen)

	FY2022				FY2023
	Q1	Q2	Q3	Q4	Q1
Smart Life & Energy	113.2	139.2	113.6	110.6	106.6
Smart Office	130.2	151.5	132.6	147.3	126.6
Universal Network	77.2	86.2	93.7	76.9	65.7
Brand Businesses	320.7	376.9	339.9	335.0	299.0
Display Device	189.4	217.1	217.8	135.5	171.3
Electronic Device	68.9	118.8	164.4	123.3	83.2
Device Businesses	258.3	336.0	382.2	258.8	254.5
Subtotal	579.1	712.9	722.2	593.8	553.6
Adjustments	-16.9	-17.1	-13.1	-12.8	-12.3
Total	562.1	695.8	709.0	581.0	541.2

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\*Sales include inter-segment sales and transfers.

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# Quarterly Operating Profit by Segment

(Billions of Yen)

	FY2022				FY2023
	Q1	Q2	Q3	Q4	Q1
Smart Life & Energy	7.4 (6.6%)	9.9 (7.2%)	6.0 (5.4%)	5.8 (5.3%)	6.9 (6.5%)
Smart Office	1.1 (0.9%)	1.3 (0.9%)	2.6 (2.0%)	9.3 (6.4%)	3.1 (2.5%)
Universal Network	0.3 (0.5%)	-4.6 (-5.3%)	-2.3 (-2.5%)	-1.2 (-1.6%)	1.7 (2.7%)
Brand Businesses	8.9 (2.8%)	6.7 (1.8%)	6.4 (1.9%)	13.9 (4.2%)	11.7 (3.9%)
Display Device	0.6 (0.3%)	-14.4 (-6.6%)	-13.6 (-6.3%)	-39.1 (-28.9%)	-17.3 (-10.1%)
Electronic Device	0.0 (0.0%)	7.4 (6.2%)	5.9 (3.6%)	1.4 (1.2%)	2.0 (2.5%)
Device Businesses	0.6 (0.2%)	-6.9 (-2.1%)	-7.7 (-2.0%)	-37.6 (-14.5%)	-15.2 (-6.0%)
Subtotal	9.6 (1.7%)	-0.2 (-0.0%)	-1.2 (-0.2%)	-23.6 (-4.0%)	-3.4 (-0.6%)
Adjustments	-3.4	-4.8	-2.2	0.4	-3.6
Total	6.1 (1.1%)	-5.0 (-0.7%)	-3.5 (-0.5%)	-23.1 (-4.0%)	-7.0 (-1.3%)

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\*Figures within parentheses indicate operating margin.

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# Capital Investment / Depreciation and Amortization

	(Billions of Yen)			
	FY2022			FY2023
	First Half	Second Half	Fiscal Year	Fiscal-Year Forecast
<b>Capital Investment</b>	<b>20.5</b>	<b>23.9</b>	<b>44.5</b>	<b>60.0</b>
Displays	4.2	9.9	14.2	25.3
<b>Depreciation and Amortization</b>	<b>38.0</b>	<b>46.2</b>	<b>84.2</b>	<b>65.0</b>
<b>R&amp;D Expenditures</b>	<b>39.9</b>	<b>38.7</b>	<b>78.7</b>	<b>85.0</b>
	(Yen)			
Avg. Exchange Rate	FY2022			FY2023
	First Half	Second Half	Fiscal Year	Fiscal-Year Forecast
US Dollar	132.98	135.98	134.48	135.00
Euro	137.22	141.71	139.46	145.00

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## Quarterly Capital Investment and Depreciation, etc.

	(Billions of Yen)				
	FY2022				FY2023
	Q1	Q2	Q3	Q4	Q1
<b>Capital Investment</b>	<b>5.0</b>	<b>15.5</b>	<b>12.3</b>	<b>11.6</b>	<b>8.9</b>
Displays	0.9	3.3	4.7	5.2	4.0
<b>Depreciation and Amortization</b>	<b>15.6</b>	<b>22.3</b>	<b>22.9</b>	<b>23.2</b>	<b>14.1</b>
<b>R&amp;D Expenditures</b>	<b>18.7</b>	<b>21.1</b>	<b>20.4</b>	<b>18.3</b>	<b>17.6</b>
	(Yen)				
Avg. Exchange Rate	FY2022				FY2023
	Q1	Q2	Q3	Q4	Q1
US Dollar	128.57	137.38	140.60	131.35	137.37
Euro	136.60	137.84	142.81	140.60	149.46

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## 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 & Energy: SL Smart Office: SO Universal Network: UN Display Device: DD Electronic Device: ED

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