



May 12, 2026

Consolidated Financial Results for the Fiscal Year Ended March 31, 2026 (Under Japanese GAAP)

Company name: Sharp Corporation
 Listing: Tokyo Stock Exchange
 Securities code: 6753
 URL: <https://corporate.jp.sharp/>
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 Scheduled date of annual general meeting of shareholders: June 24, 2026
 Scheduled date to commence dividend payments: -
 Scheduled date to file annual securities report: June 23, 2026
 Preparation of supplementary material on financial results: Yes
 Holding of financial results briefing: Yes (for institutional investors and analysts)

(Yen amounts are rounded down to millions, unless otherwise noted.)

1. Consolidated financial results for the fiscal year ended March 31, 2026 (from April 1, 2025 to March 31, 2026)

(1) Consolidated operating results

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
Fiscal year ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2026	1,892,811	(12.4)	48,565	77.6	57,959	228.3	47,434	31.4
March 31, 2025	2,160,146	(7.0)	27,338	-	17,653	-	36,095	-

Note: Comprehensive income For the fiscal year ended March 31, 2026: ¥130,950 million [-%]
 For the fiscal year ended March 31, 2025: ¥10,050 million [-%]

	Basic earnings per share	Diluted earnings per share	Return on equity	Ratio of ordinary profit to total assets	Ratio of operating profit to net sales
Fiscal year ended	Yen	Yen	%	%	%
March 31, 2026	73.05	-	21.9	4.0	2.6
March 31, 2025	55.59	-	24.4	1.2	1.3

Reference: Share of profit (loss) of entities accounted for using equity method
 For the fiscal year ended March 31, 2026: ¥7,920 million
 For the fiscal year ended March 31, 2025: ¥7,910 million

Note: Diluted earnings per share is not stated because potentially dilutive shares exist without dilutive effect at the moment.

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
March 31, 2026	1,428,253	295,284	19.6	431.14
March 31, 2025	1,453,730	167,709	10.5	236.20

Reference: Equity
 As of March 31, 2026: ¥279,944 million
 As of March 31, 2025: ¥153,367 million

(3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
Fiscal year ended	Millions of yen	Millions of yen	Millions of yen	Millions of yen
March 31, 2026	(191)	71,700	(105,802)	230,500
March 31, 2025	(1,590)	103,743	(74,768)	242,703

2. Cash dividends

	Annual dividends per share					Total cash dividends (Total)	Payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Fiscal year ended March 31, 2025	-	0.00	-	0.00	0.00	0	0.0	0.0
Fiscal year ended March 31, 2026	-	0.00	-	0.00	0.00	0	0.0	0.0
Fiscal year ending March 31, 2027 (Forecast)	-	-	-	-	-		-	

Note: At this time, the dividend per share for the fiscal year ending March 31, 2027 has not yet been determined.

3. Forecast of consolidated financial results for the fiscal year ending March 31, 2027 (from April 1, 2026 to March 31, 2027)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Fiscal year ending March 31, 2027	1,770,000	(6.5)	49,000	0.9	39,000	(32.7)	42,000	(11.5)	64.68

* Notes

- (1) Significant changes in the scope of consolidation during the period: Yes
Excluded: 3 companies (Saigon STEC Co., LTD., Sharp Fukuyama Laser Co., Ltd., P.T. Sharp Semiconductor Indonesia)
- (2) Changes in accounting policies, changes in accounting estimates, and restatement
 - (i) Changes in accounting policies due to revisions to accounting standards and other regulations: None
 - (ii) Changes in accounting policies due to other reasons: None
 - (iii) Changes in accounting estimates: None
 - (iv) Restatement: None
- (3) Number of issued shares (common shares)

- (i) Total number of issued shares at the end of the period (including treasury shares)

As of March 31, 2026	650,414,638 shares
As of March 31, 2025	650,406,538 shares

- (ii) Number of treasury shares at the end of the period

As of March 31, 2026	1,107,975 shares
As of March 31, 2025	1,106,821 shares

- (iii) Average number of shares outstanding during the period

Fiscal year ended March 31, 2026	649,301,434 shares
Fiscal year ended March 31, 2025	649,300,589 shares

[Reference] Overview of non-consolidated financial results

1. Non-consolidated financial results for the fiscal year ended March 31, 2026 (from April 1, 2025 to March 31, 2026)

(1) Non-consolidated operating results

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit	
Fiscal year ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2026	496,902	(7.9)	(12,559)	-	72,466	-	69,544	-
March 31, 2025	539,722	2.4	4,392	-	1,718	-	(36,722)	-

	Basic earnings per share	Diluted earnings per share
Fiscal year ended	Yen	Yen
March 31, 2026	107.11	-
March 31, 2025	(56.56)	-

Note: Diluted earnings per share is not stated because potentially dilutive shares exist without dilutive effect at the moment.

(2) Non-consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
March 31, 2026	786,598	(65,843)	(8.6)	(104.34)
March 31, 2025	892,004	(146,631)	(16.6)	(227.80)

Reference: Equity

As of March 31, 2026: ¥(67,748) million

As of March 31, 2025: ¥(147,911) million

* Financial results reports are exempt from audit conducted by certified public accountants or an audit firm.

* Proper use of earnings forecasts, and other special matters

1. The forward-looking statements, including forecasts of financial results, contained in these materials are based on information currently available to Sharp Corporation ("the Company") and on certain assumptions deemed to be reasonable. However, the Company makes no guarantee that these forecasts will be achieved. Actual financial results, etc. may differ substantially due to various factors.

2. The Company plans to hold an earnings briefing on Tuesday, May 12, 2026. The financial results briefing materials used in this briefing will be posted on the Company's website promptly after the announcement

1. Qualitative Information: Fiscal 2025 Financial Results

(1) Qualitative Information regarding Consolidated Financial Results

i. Financial results for fiscal 2025

The global economy continued on a recovery trend during the fiscal year ended March 31, 2026, although weakness caused by U.S. trade policies and the weak real estate market in China was observed. This overall recovery trend was mainly continued against the backdrop of wage increases and employment expansion. The global economy was also supported by other factors, including AI-related investments in data centers.

The Company and its consolidated subsidiaries (hereinafter “the Group”) announced the Medium-Term Management Plan on May 12, 2025, aiming to return to growth. Under this Medium-Term Management Plan, the Group has focused on three key initiatives: Accelerate Global Expansion and Business Transformation of the Brand Business, Establish a Foundation for Sustainable Business Growth, and Reinforce Management Capabilities, while working to enhance competitiveness and improve our financial base.

As a result, overall performance was firm throughout the fiscal year, and the financial base improved at a pace exceeding initial expectations. Although net sales declined, operating profit, ordinary profit, and profit attributable to owners of parent increased due to Asset Light Initiatives in the Device Business and efforts to improve profitability in the Brand Business. Operating profit and ordinary profit exceeded our forecasts. Although profit attributable to owners of parent fell short of the forecast, the Group posted double-digit growth compared to the previous fiscal year. The equity ratio also improved from 10.5% at the end of the previous fiscal year to 19.6%.

Net sales amounted to 1,892,811 million yen, down 12.4% year on year. This decline was due to lower sales in all three segments of Smart Life, Smart Workplace and Display Device.

Operating profit amounted to 48,565 million yen, up 77.6% year on year. Smart Workplace recorded a decline in profit due to the impact of rising prices for components, including memory, and the recording of one-time income in the mobile communications business in the previous fiscal year. On the other hand, Smart Life recorded a significant increase in profit due to progress in higher value-added offerings, as well as costs and expense reductions. Losses narrowed significantly in Display Device as a result of structural reforms.

Ordinary profit amounted to 57,959 million yen, up 228.3% year on year. This significant increase was mainly due to the improvement in operating profit.

Profit attributable to owners of parent amounted to 47,434 million yen, up 31.4% year on year. While we recorded business restructuring expenses of 19,867 million yen as extraordinary losses, ordinary profit improved and extraordinary income was recorded, including 36,111 million yen in gains on sale of non-current assets mainly due to the sale of real estate facilities in Sakai.

The Group has reached a turning point in structural reforms, including Asset Light Initiatives in the Device Business. We completed the transfer of the camera module business and the share transfer of Sharp Fukuyama Laser Co., Ltd., a company engaged in the semiconductor business, to the Hon Hai Group. In addition, Sakai Display Products Corporation ceased operations in the large-sized display business. In the small- and medium-sized display business, we plan to cease production at the Kameyama No. 2 Plant after producing inventory to meet demand from existing customers.

The sales performance of each business segment in fiscal 2025 was as follows. Segment sales include inter-segment sales and transfers.

< Brand Business >

1. Smart Life

Sales amounted to 597,998 million yen, down 7.1% year on year. Sales in the white goods business decreased mainly due to the sales of washing machines, refrigerators, and air conditioners falling below the previous fiscal year's levels, while sales of cooking appliances mainly in Japan and the U.S. achieved growth. Sales also decreased in the TV business, which faced intensified competition, and in the energy solutions business, where EPC sales in Japan fell below the previous fiscal year.

2. Smart Workplace

Sales decreased 0.3% year on year to 833,822 million yen. Sales in the PC business grew significantly in both B2B and B2C due to efforts to steadily capture replacement demand associated with the transition from Windows 10 and trends in front-loaded demand driven by rising memory prices. In B2B, sales to government agencies, municipalities, and for GIGA-related projects were strong. Sales also increased in the business solutions business, driven by growth in office solutions and other businesses mainly in Japan and Europe. However, sales decreased in the mobile communications business, mainly due to the impact of intensified competition.

< Device Business >

3. Display Device

Sales decreased 6.4% year on year to 423,504 million yen, mainly due to the phasing out of production of panels for smartphones.

ii. Analysis of financial position

Total assets as of the current fiscal year end amounted to 1,428,253 million yen, down 25,477 million yen compared to the end of the previous fiscal year. This decline was mainly due to a decrease in property, plant and equipment with business transfer and sale of the former headquarter facility in Sakai. Total liabilities amounted to 1,132,968 million yen, down 153,052 million yen compared to the end of the previous fiscal year, driven mainly by the repayment of loans. Net assets amounted to 295,284 million yen, up 127,575 million yen compared to the end of the previous fiscal year, mainly due to profit attributable to owners of parent, and an increase in foreign currency translation adjustment resulting from the depreciation of the yen.

In terms of cash flows, net cash used in operating activities was 191 million yen, net cash provided by investing activities was 71,700 million yen, and net cash used in financing activities was 105,802 million yen. As a result, cash and cash equivalents as of the current fiscal year end amounted to 230,500 million yen, down 12,202 million yen compared to the previous fiscal year end.

(2) Future outlook

Tetsuji Kawamura assumed the position of President & CEO on April 1, 2026. Under the new president, the Group will carry forward the company DNA embodied in the words of founder Tokuji Hayakawa, “Make products that others want to imitate,” together with our business creed, business philosophy, and new corporate slogan, “In step with your future.” to pursue Sharp’s identity.

Although the global economy has continued on a recovery trend, some indicators point to an economic slowdown. U.S. trade policies remain fluid, and geopolitical risks including the situation in the Middle East have not been eliminated. Inflation trends and monetary policies in various countries may change significantly, and the outlook will likely remain uncertain.

Under these circumstances, the Group has steadily established a stable earnings base. However, in addition to the increasingly severe external environment, we recognize our business portfolio centered on mature businesses and declining sales trend in the Brand Business as challenges.

Going forward, we will work to create new businesses at an early stage that will drive growth, while leveraging the strengths we have cultivated through the development of various businesses to date. At the same time, in the existing Brand Business, we will further strengthen the earnings base and advance business transformation through accelerating global business expansion, enhancing brand strength, and shifting toward service- and solution-based businesses. We will also respond steadily to changes in the external environment such as rising memory and crude oil prices, through measures including reflecting higher costs in sales prices, cost reductions, and expense reductions.

To achieve sustainable growth over the medium to long term and maximize corporate value, we will further accelerate the speed of growth. At the same time, management will proactively communicate information regarding our direction, the progress of initiatives, and results externally.

The following outlines our current financial forecast for the fiscal year ending March 31, 2027.

(The percentage figures represent the percentage of increase or decrease against the previous fiscal year.)

Millions of Yen

	Year ended March 31, 2026	%	Year ending March 31, 2027 (Forecast)	%
Net Sales	1,892,811	(12.4)	1,770,000	(6.5)
Operating Profit	48,565	77.6	49,000	0.9
Ordinary Profit	57,959	228.3	39,000	(32.7)
Profit Attributable to Owners of Parent	47,434	31.4	42,000	(11.5)

Assumption of an exchange rate is set at USD1 to JPY156 for the fiscal year ending March 31, 2027.

*The financial results forecast presented here is based on information available and judgments deemed reasonable at the time. These forecasts are not guarantees of future performance. Actual performance may differ materially due to a number of factors. Matters that could affect actual results include, but are not limited to, the following factors:

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

(3) Material Events Related to the Going Concern Assumption

Our business performance and financial position improved through structural reforms including Asset Light Initiatives. During the current fiscal year, profitability improved compared with the previous fiscal year and our equity ratio also recovered significantly.

In terms of funding, we entered into a new loan agreement with a maturity date of March 31, 2028, as described in P.19 Significant Subsequent Events. Although certain subsidiaries fell into negative net worth position at the end of the current fiscal year, the execution of borrowing under the agreement on April 28, 2026, strengthened arrangement for ongoing support from financial institutions.

While certain events or circumstances may have given rise significant doubts in connection with the going concern assumption, there are no material uncertainties noted that are applicable to P.16 (5) Notes Related to the Going Concern Assumption.

2. Basic Approach to Selection of Accounting Standards

The Group uses Japanese accounting standards to ensure comparability of consolidated financial statements over different time periods.

We will continue to monitor trends in the adoption of the International Financial Reporting Standards (IFRS).

3. Consolidated Financial Statements

(1) Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2025	As of March 31, 2026
Assets		
Current assets		
Cash and deposits	279,307	238,451
Notes and accounts receivable - trade, and contract assets	379,787	368,821
Inventories	242,081	250,385
Other	84,495	97,451
Allowance for doubtful accounts	(5,854)	(5,717)
Total current assets	979,817	949,392
Non-current assets		
Property, plant and equipment		
Buildings and structures	590,183	459,451
Machinery, equipment and vehicles	1,002,312	693,932
Tools, furniture and fixtures	136,473	117,757
Land	57,760	55,540
Construction in progress	3,463	9,147
Other	50,110	54,281
Accumulated depreciation	(1,638,404)	(1,206,847)
Total property, plant and equipment	201,899	183,263
Intangible assets		
Software	17,801	17,709
Goodwill	7,264	9,145
Other	11,514	11,316
Total intangible assets	36,580	38,170
Investments and other assets		
Investment securities	185,710	195,750
Retirement benefit asset	4,729	16,502
Deferred tax assets	18,496	16,040
Other	28,398	32,923
Allowance for doubtful accounts	(1,902)	(3,790)
Total investments and other assets	235,433	257,427
Total non-current assets	473,913	478,860
Total assets	1,453,730	1,428,253

	As of March 31, 2025	As of March 31, 2026
Liabilities		
Current liabilities		
Notes and accounts payable - trade	278,869	267,626
Electronically recorded obligations - operating	10,881	6,079
Short-term borrowings	111,257	432,284
Lease liabilities	3,691	4,160
Accrued expenses	117,624	108,039
Provision for bonuses	19,481	20,466
Provision for product warranties	13,096	19,885
Provision for sales promotion expenses	2,560	3,315
Provision for restructuring	14,802	18,323
Other provisions	8,631	10,065
Other	176,026	155,144
Total current liabilities	756,923	1,045,391
Non-current liabilities		
Long-term borrowings	406,400	562
Deferred tax liabilities	13,813	22,680
Provision for product warranties	5,261	5,013
Provision for restructuring	3,758	2,857
Other provisions	2,689	2,712
Retirement benefit liability	45,604	8,332
Other	51,570	45,418
Total non-current liabilities	529,097	87,576
Total liabilities	1,286,021	1,132,968
Net assets		
Shareholders' equity		
Share capital	5,000	5,005
Capital surplus	148,983	146,733
Retained earnings	(54,082)	(6,648)
Treasury shares	(13,389)	(13,390)
Total shareholders' equity	86,511	131,699
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	20,818	23,746
Deferred gains or losses on hedges	(1,437)	1,960
Foreign currency translation adjustment	46,571	87,684
Remeasurements of defined benefit plans	902	34,853
Total accumulated other comprehensive income	66,855	148,245
Share acquisition rights	1,279	1,905
Non-controlling interests	13,062	13,434
Total net assets	167,709	295,284
Total liabilities and net assets	1,453,730	1,428,253

(2) Consolidated Statements of Income / Consolidated Statements of Comprehensive Income
- Consolidated statements of income

(Millions of yen)

	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
Net sales	2,160,146	1,892,811
Cost of sales	1,754,437	1,472,048
Gross profit	405,708	420,763
Selling, general and administrative expenses	378,370	372,197
Operating profit	27,338	48,565
Non-operating income		
Interest income	5,090	4,947
Dividend income	1,387	1,066
Foreign exchange gains	-	3,424
Share of profit of entities accounted for using equity method	7,910	7,920
Investment income	2,099	-
Other	11,254	11,667
Total non-operating income	27,741	29,026
Non-operating expenses		
Interest expenses	10,296	8,665
Foreign exchange losses	12,612	-
Investment expense	-	48
Other	14,517	10,919
Total non-operating expenses	37,426	19,632
Ordinary profit	17,653	57,959
Extraordinary income		
Gain on sale of non-current assets	78,095	36,111
Gain on sale of investment securities	28,254	88
Gain on sale of shares of subsidiaries and associates	-	1,221
Gain on liquidation of subsidiaries and associates	103	-
Gain on sale of businesses	-	1,851
Gain on step acquisitions	717	-
Gain on change in equity	4,529	-
Gain on reversal of liabilities	4,474	-
Compensation income	6,723	-
Gain on reversal of share acquisition rights	216	104
Total extraordinary income	123,115	39,377
Extraordinary losses		
Loss on sale and retirement of non-current assets	1,652	1,022
Impairment losses	54,381	6,069
Loss on valuation of investment securities	1,411	-
Business restructuring expenses	29,686	19,867
Provision for product warranties	-	7,000
Total extraordinary losses	87,131	33,959
Profit before income taxes	53,637	63,378
Income taxes - current	15,376	11,683
Income taxes - deferred	2,493	3,413
Total income taxes	17,870	15,097
Profit	35,766	48,281
Profit (loss) attributable to non-controlling interests	(328)	846
Profit attributable to owners of parent	36,095	47,434

- Consolidated statements of comprehensive income

(Millions of yen)

	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
Profit	35,766	48,281
Other comprehensive income		
Valuation difference on available-for-sale securities	(19,587)	2,916
Deferred gains or losses on hedges	(1,946)	3,396
Foreign currency translation adjustment	(5,085)	32,572
Remeasurements of defined benefit plans, net of tax	2,281	33,924
Share of other comprehensive income of entities accounted for using equity method	(1,378)	9,859
Total other comprehensive income	(25,715)	82,669
Comprehensive income	10,050	130,950
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	10,556	128,823
Comprehensive income attributable to non-controlling interests	(506)	2,126

(3) Consolidated Statements of Change in Equity

Fiscal year ended March 31, 2025

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	5,000	148,594	(90,178)	(13,387)	50,028
Changes during period					
Profit (loss) attributable to owners of parent			36,095		36,095
Change in ownership interest of parent due to transactions with non-controlling interests		390			390
Purchase of treasury shares				(1)	(1)
Disposal of treasury shares		(0)		0	0
Net changes in items other than shareholders' equity					
Total changes during period	-	389	36,095	(1)	36,483
Balance at end of period	5,000	148,983	(54,082)	(13,389)	86,511

	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	40,396	508	52,870	(1,381)	92,393	756	14,246	157,424
Changes during period								
Profit (loss) attributable to owners of parent								36,095
Change in ownership interest of parent due to transactions with non-controlling interests								390
Purchase of treasury shares								(1)
Disposal of treasury shares								0
Net changes in items other than shareholders' equity	(19,577)	(1,946)	(6,298)	2,284	(25,538)	523	(1,184)	(26,199)
Total changes during period	(19,577)	(1,946)	(6,298)	2,284	(25,538)	523	(1,184)	10,284
Balance at end of period	20,818	(1,437)	46,571	902	66,855	1,279	13,062	167,709

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	5,000	148,983	(54,082)	(13,389)	86,511
Changes during period					
Issuance of new shares - exercise of share acquisition rights	5	5			10
Profit (loss) attributable to owners of parent			47,434		47,434
Change in ownership interest of parent due to transactions with non-controlling interests		(2,255)			(2,255)
Purchase of treasury shares				(0)	(0)
Net changes in items other than shareholders' equity					
Total changes during period	5	(2,250)	47,434	(0)	45,187
Balance at end of period	5,005	146,733	(6,648)	(13,390)	131,699

	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	20,818	(1,437)	46,571	902	66,855	1,279	13,062	167,709
Changes during period								
Issuance of new shares - exercise of share acquisition rights								10
Profit (loss) attributable to owners of parent								47,434
Change in ownership interest of parent due to transactions with non-controlling interests								(2,255)
Purchase of treasury shares								(0)
Net changes in items other than shareholders' equity	2,927	3,398	41,112	33,950	81,389	625	372	82,387
Total changes during period	2,927	3,398	41,112	33,950	81,389	625	372	127,575
Balance at end of period	23,746	1,960	87,684	34,853	148,245	1,905	13,434	295,284

(4) Consolidated Statements of Cash Flows

(Millions of yen)

	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
Cash flows from operating activities		
Profit before income taxes	53,637	63,378
Depreciation	48,459	36,562
Interest and dividend income	(6,477)	(6,013)
Interest expenses	10,296	8,665
Share of loss (profit) of entities accounted for using equity method	(7,910)	(7,920)
Investment expenses (income)	(2,099)	48
Loss (gain) on sale and retirement of non-current assets	(76,442)	(35,088)
Impairment losses	54,381	6,069
Loss (gain) on sale of investment securities	(28,254)	(88)
Loss (gain) on sale of shares of subsidiaries and associates	-	(1,221)
Loss (gain) on sale of businesses	-	(1,851)
Loss (gain) on change in equity	(4,529)	-
Gain on reversal of liabilities	(4,474)	-
Compensation income	(6,723)	-
Gain on reversal of share acquisition rights	(216)	(104)
Business restructuring expenses	29,686	19,867
Provision for product warranties	-	7,000
Decrease (increase) in accounts receivable - trade, and contract assets	25,122	36,438
Decrease (increase) in accounts receivable - other	252	(10,682)
Decrease (increase) in inventories	25,834	(2,320)
Increase (decrease) in trade payables	(61,634)	(37,647)
Increase (decrease) in accrued consumption taxes	7,581	(9,496)
Other, net	(35,109)	(30,766)
Subtotal	21,379	34,825
Interest and dividends received	9,357	8,655
Interest paid	(8,746)	(7,851)
Income taxes refund (paid)	(19,288)	(10,305)
Payments for business restructuring	(12,201)	(25,947)
Proceeds from insurance income	1,426	-
Proceeds from compensation	6,483	431
Net cash provided by (used in) operating activities	(1,590)	(191)

	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
Cash flows from investing activities		
Payments into time deposits	(77,099)	(34,505)
Proceeds from withdrawal of time deposits	48,322	63,101
Purchase of property, plant and equipment	(26,798)	(21,807)
Proceeds from sale of property, plant and equipment	106,879	42,773
Purchase of intangible assets	(12,220)	(11,719)
Proceeds from sale of investment securities	44,346	105
Proceeds from refund of investment partnerships	21,516	10,133
Proceeds from sale of businesses	-	5,451
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(4,806)	(4,896)
Proceeds from sale of shares of subsidiaries resulting in change in scope of consolidation	-	11,677
Other, net	3,603	11,386
Net cash provided by (used in) investing activities	103,743	71,700
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	4,871	(8,532)
Repayments of long-term borrowings	(60,567)	(82,139)
Repayments of finance lease liabilities	(18,574)	(4,435)
Other, net	(498)	(10,695)
Net cash provided by (used in) financing activities	(74,768)	(105,802)
Effect of exchange rate change on cash and cash equivalents	(3,809)	22,090
Net increase (decrease) in cash and cash equivalents	23,574	(12,202)
Cash and cash equivalents at beginning of period	219,128	242,703
Cash and cash equivalents at end of period	242,703	230,500

(5) Notes to Consolidated Financial Statements

(Notes Related to the Going Concern Assumption)

No applicable matters to report.

(Segment information)

i. Outline of Reportable Segments

The Group's reportable segments are components of the group for which discrete financial information is available and whose operating results are reviewed regularly by the board of directors. The board uses this information to make decisions about resources to be allocated among the segments and to assess segment performance.

The Group defines two brand businesses, the Smart Life Business Group and the Smart Workplace Business Group, along with Display Device as its business domain, and designates these as reportable segments.

Brand business, our key focus, has been reorganized into two groups,: the Smart Life Business Group, which focuses on lifestyles, and the Smart Workplace Business Group, which focuses on workstyles. Our goal is to focus and shift our business to accelerate new value creation in each area and enhance profitability and growth potential. Meanwhile, Display Device continues to concentrate on high-value-added products for automotive, mobile, and industrial applications where we can maintain a competitive advantage.

The major products handled in each reportable segment are as follows.

Reportable segments	Major Products
Smart Life	Refrigerators, superheated steam ovens, microwave ovens, small cooking appliances, air conditioners, washing machines, vacuum cleaners, air purifiers, electric fans, dehumidifiers, electric heaters, Plasmacluster Ion generators, beauty appliances, LED lighting, calculators, telephones, network control units, televisions, Blu-ray disc recorders, audio equipment, solar cells, storage batteries, face masks, sensor modules, optical sensors, optical devices, CMOS image sensors
Smart Workplace	Digital MFPs (multi-function printers), information displays, commercial projectors, POS system equipment, options and consumables, office-related solutions services, mobile phones, smartphones, tablet devices, routers, automotive wireless devices, software, PCs
Display Device	Display modules, automotive cameras

In the previous fiscal year, we categorized the Group's reportable segments into five: Smart Life & Energy, Smart Office, Universal Network, Display Device and Electronic Device. Effective from the current fiscal year, reportable segments are recategorized into three: Smart Life, Smart Workplace and Display Device. Following the change in segments, the TV system business (formerly under Universal Network) is now classified under Smart Life, along with the previous Smart Life & Energy. Similarly, the mobile communication business (formerly under Universal Network) is now included in Smart Workplace, along with the previous Smart Office. In addition, we group Electronic Device, which has been transferred, and Sakai Display Products Corporation, which has ceased operation, under Other and exclude them from the reportable segments.

Figures for the previous fiscal year have been adjusted to reflect the new classification.

ii. Method of calculating the amount of sales, profit or loss for each reporting segment

The accounting policies for the reportable segments are basically the same as the policies for the consolidated financial statements. Intersegment sales and profit (loss) are recognized based on appropriate prices determined by negotiation.

iii. Information on the amounts of sales, profits or losses for each reportable segment

Fiscal year ended March 31, 2025

(Millions of yen)

	Reportable segments				Other (Note) 1	Total	Adjustments (Note) 2	Amount recorded in consolidated financial statements (Note)3
	Smart Life	Smart Workplace	Display Device	Total				
Sales								
Revenues from external customers	642,618	835,379	444,114	1,922,112	238,033	2,160,146	-	2,160,146
Transactions with other segments	961	978	8,117	10,057	19,129	29,186	(29,186)	-
Total	643,580	836,357	452,231	1,932,169	257,162	2,189,332	(29,186)	2,160,146
Segment profit (loss)	21,973	59,679	(26,932)	54,720	(7,826)	46,893	(19,555)	27,338

Note: 1 Business segments excluded from reportable segments are classified as Other, consisting of the Electronic Device business and Sakai Display Products Corporation. Of these, sales of 54,907 million yen (51,158 million yen from external customers, 3,749 million yen from transactions with other segments), and segment loss of (13,581) million yen were related to Sakai Display Products Corporation.

2 Adjustments for segment profits or losses of (19,555) million yen include (18,463) million yen of company-wide expenses that have not been allocated to each reportable segment. Company-wide expenses are mainly related to basic R&D expenses and expenses related to the Company's head office.

3 Segment profits or losses are adjusted for operating profit in consolidated financial statements.

Fiscal year ended March 31, 2026

(Millions of yen)

	Reportable segments				Other (Note) 1	Total	Adjustments (Note) 2	Amount recorded in consolidated financial statements (Note)3
	Smart Life	Smart Workplace	Display Device	Total				
Sales								
Revenues from external customers	597,488	832,271	419,126	1,848,886	43,925	1,892,811	-	1,892,811
Transactions with other segments	509	1,551	4,378	6,439	3,089	9,528	(9,528)	-
Total	597,998	833,822	423,504	1,855,325	47,014	1,902,340	(9,528)	1,892,811
Segment profit (loss)	28,456	57,597	(18,277)	67,777	692	68,469	(19,903)	48,565

Note: 1. Business segments excluded from reportable segments are classified as Other, consisting of the Electronic Device business and Sakai Display Products Corporation.

2. Adjustments for segment profits or losses of (19,903) million yen include (19,337) million yen in company-wide expenses that have not been allocated to each reportable segment. Company-wide expenses are mainly related to basic R&D expenses and expenses related to the Company's head office.

3. Segment profits or losses are adjusted for operating profit in consolidated financial statements.

(Per Share Information)

(Yen)

	Fiscal Year Ended March 31, 2025	Fiscal Year Ended March 31, 2026
Net assets per share	236.20	431.14
Basic earnings per share	55.59	73.05
Diluted earnings per share	-	-
	Diluted earnings per share is not stated because potentially dilutive shares exist without dilutive effect at the moment.	Diluted earnings per share is not stated because potentially dilutive shares exist without dilutive effect at the moment.

Note: Basic earnings per share and diluted earnings per share were calculated on the following basis.

	Fiscal Year Ended March 31, 2025	Fiscal Year Ended March 31, 2026
Basic earnings per share		
Profit attributable to owners of parent (millions of yen)	36,095	47,434
Amounts not allocated to common shares (millions of yen)	-	-
Profit attributable to owners of the parent related to common shares (million yen)	36,095	47,434
Average number of common shares outstanding during each year (thousands of shares)	649,300	649,301
Residual securities which do not dilute earnings per share	725 share options resolved by the board of directors on August 28, 2018 (Third Share Options) 52,105 share options resolved by the board of directors on August 4, 2023 (Fourth Share Options)	48,534 share options resolved by the board of directors on August 4, 2023 (Fourth Share Options) 42,395 share options resolved by the board of directors on May 12, 2025 (Fifth Share Options) 9,830 share options resolved by the board of directors on February 10, 2026 (Sixth Share Options)

(Significant Subsequent Events)

Significant Borrowings

In preparation for the maturity of the existing syndicated loan, the Company concluded a new loan agreement on March 31, 2026, followed with its refinancing executed on April 28, 2026.

The details of the loan agreement are as follows.

(1)	Date of conclusion	March 31, 2026
(2)	Counterparties	Arrangers: • Mizuho Bank, Ltd., MUFG Bank, Ltd. Participating Financial Institutions: • Sumitomo Mitsui Banking Corporation, Resona Bank, Limited
(3)	Principal of debt	391,400 million yen
(4)	Loan term	From April 28, 2026 to March 31, 2028
(5)	Details of collateral	Real estate, Movable assets (machinery and inventory), Securities, Accounts receivables, Notes receivables, Shares of subsidiaries.

Commitment Line Agreement

On April 28, 2026, the Company entered into (renewal) a commitment line agreement totaling 200,000 million yen with Mizuho Bank, Ltd. and MUFG Bank, Ltd. This agreement extends the commitment facility by one year up to April 28, 2027.