



Consolidated Financial Results for the Third Quarter, Fiscal 2023

- I. Cumulative Consolidated Financial Results for the Third Quarter, Fiscal 2023
 - II. Consolidated Financial Results for the Third Quarter, Fiscal 2023
 - III. Consolidated Financial Results Forecast for Fiscal 2023
 - IV. Supplementary Data
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SHARP CORPORATION

February 6, 2024

Outline

▪ **Results**

In the cumulative third quarter, we secured bottom-line profit.

While we experienced a decline in operating profit, ordinary profit and bottom-line profit increased.

In the third quarter, operating profit, ordinary profit, and bottom-line profit increased.

Operating profit has been steadily improving since the first quarter, as our main businesses are recovering, mainly around Brand Businesses.

▪ **Fiscal 2023 Forecast**

We revised our financial results forecast due to extremely difficult market conditions for small- and medium-size displays.

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▪ This slide provides the summary of our consolidated financial results.

▪ In the cumulative Q3, we secured bottom-line profit.

While we experienced a decline in operating profit, ordinary profit and bottom-line profit increased.

In Q3, operating profit, ordinary profit, and bottom-line profit increased.

Operating profit has been steadily improving since the first quarter, as our main businesses are recovering, mainly around Brand Businesses.

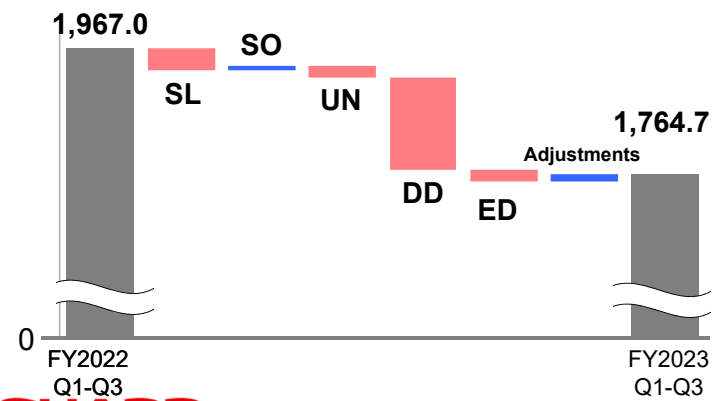
▪ We revised our financial results forecast due to extremely difficult market conditions for small- and medium-size displays.

I . Cumulative Consolidated Financial Results for the Third Quarter, Fiscal 2023

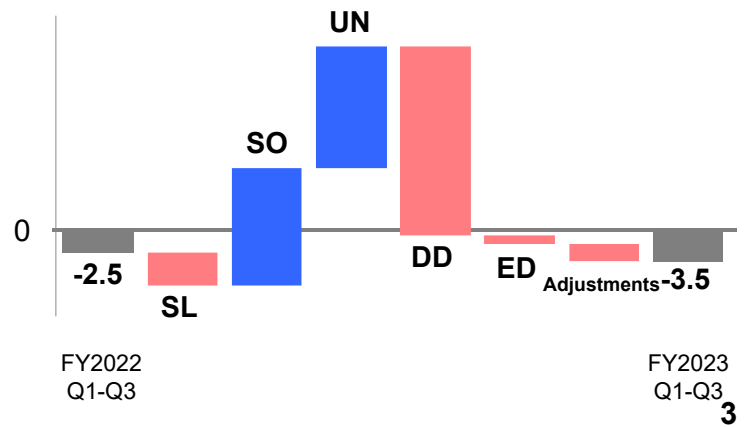
Cumulative Consolidated Financial Results for the Third Quarter, Fiscal 2023

(Billions of Yen)	FY2022	FY2023	
	Q1-Q3	Q1-Q3	Y on Y
Net Sales	1,967.0	1,764.7	-10.3%
Operating Profit	-2.5 (-0.1%)	-3.5 (-0.2%)	-
Ordinary Profit	-1.8 (-0.1%)	6.5 (0.4%)	-
Bottom-line Profit	-8.9 (-0.5%)	2.0 (0.1%)	-
Avg. Exchange Rates			
USD/JPY	135.52	143.29	
Euro/JPY	139.08	155.28	

Net Sales



Operating Profit



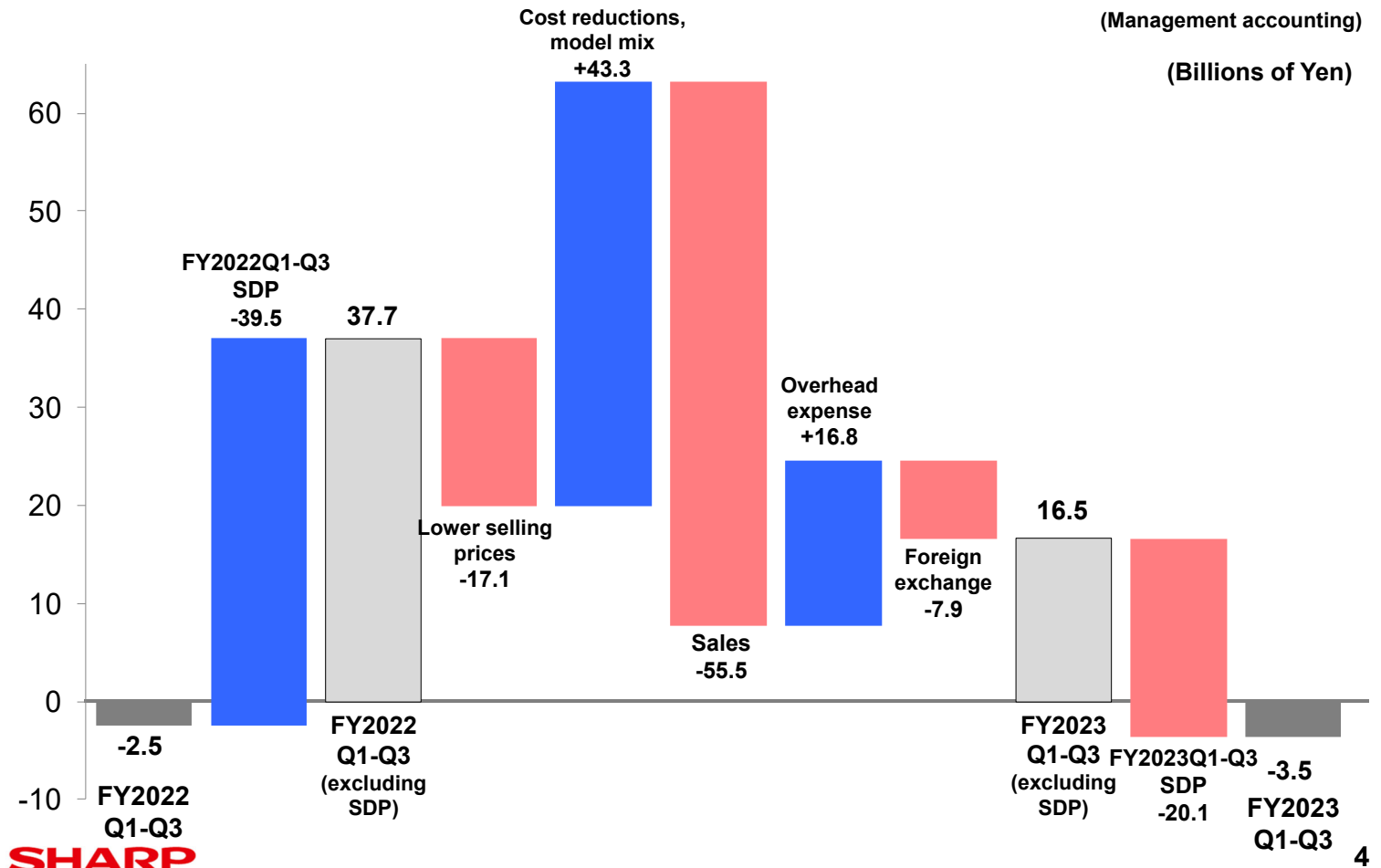
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- This slide provides highlights of our financial results for the cumulative Q3, fiscal 2023.
- Net sales amounted to 1,764.7 billion yen.
- Operating loss was 3.5 billion yen, ordinary profit was 6.5 billion yen, and bottom-line profit was 2.0 billion yen.

Please refer to the next page and the following pages for an operating profit analysis and sales and operating profit by segment.

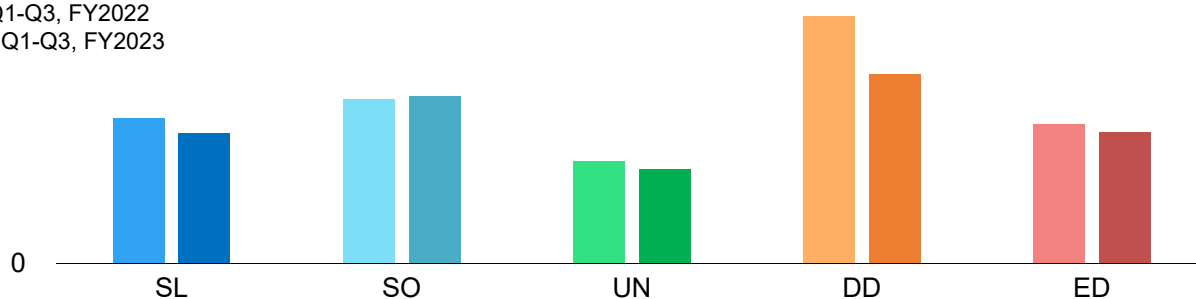
Operating Profit Analysis : Y on Y Change Factors for the Cumulative Third Quarter, Fiscal 2023



(Cumulative Q3) Sales by Segment

(Billions of Yen)	FY2022	FY2023	
	Q1-Q3	Q1-Q3	Y on Y
Smart Life & Energy	366.1	329.9	-9.9%
Smart Office	414.3	421.7	+1.8%
Universal Network	257.1	238.6	-7.2%
Brand Businesses	1,037.7	990.4	-4.6%
Display Device	624.4	477.0	-23.6%
Electronic Device	352.2	332.2	-5.7%
Device Businesses	976.7	809.2	-17.1%
Subtotal	2,014.4	1,799.7	-10.7%
Adjustments	-47.3	-34.9	-
Total	1,967.0	1,764.7	-10.3%

Left bar: Q1-Q3, FY2022
Right bar: Q1-Q3, FY2023

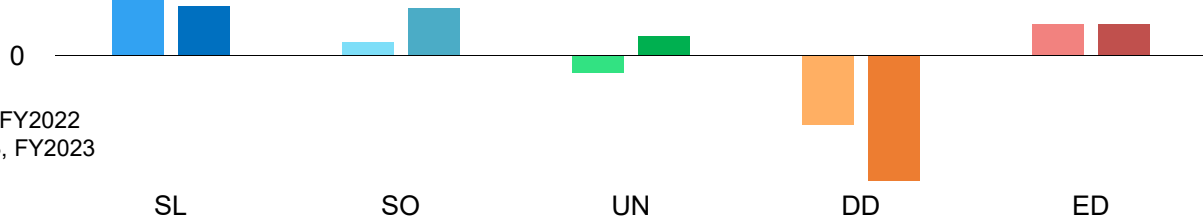


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*Sales include inter-segment sales and transfers.

(Cumulative Q3) Operating Profit by Segment

(Billions of Yen)	FY2022	FY2023	
	Q1-Q3	Q1-Q3	Y on Y
Smart Life & Energy	23.5 (6.4%)	19.5 (5.9%)	-16.8%
Smart Office	5.1 (1.2%)	18.9 (4.5%)	+267.3%
Universal Network	-6.5 (-2.5%)	7.6 (3.2%)	-
Brand Businesses	22.1 (2.1%)	46.1 (4.7%)	+108.6%
Display Device	-27.3 (-4.4%)	-49.4 (-10.4%)	-
Electronic Device	13.3 (3.8%)	12.2 (3.7%)	-7.7%
Device Businesses	-14.0 (-1.4%)	-37.1 (-4.6%)	-
Subtotal	8.0 (0.4%)	9.0 (0.5%)	+11.6%
Adjustments	-10.6	-12.6	-
Total	-2.5 (-0.1%)	-3.5 (-0.2%)	-



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*Sales include inter-segment sales and transfers.

II . Consolidated Financial Results for the Third Quarter, Fiscal 2023

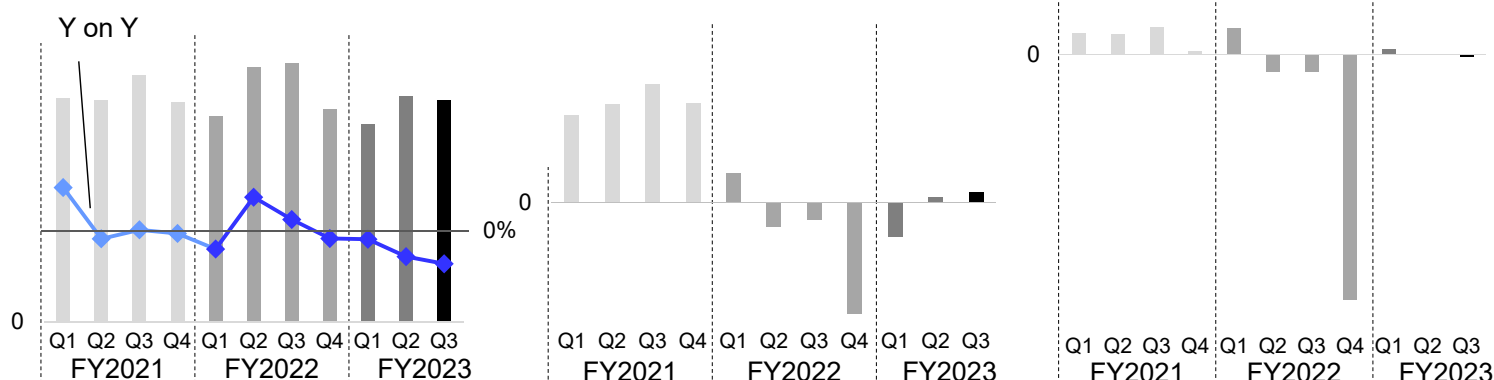
Consolidated Financial Results for the Third Quarter, Fiscal 2023

(Billions of Yen)	FY2022				FY2023			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Y on Y
Net Sales	562.1	695.8	709.0	581.0	541.2	617.0	606.4	-14.5%
Operating Profit	6.1 (1.1%)	-5.0 (-0.7%)	-3.5 (-0.5%)	-23.1 (-4.0%)	-7.0 (-1.3%)	1.1 (0.2%)	2.2 (0.4%)	-
Ordinary Profit	17.4 (3.1%)	-8.2 (-1.2%)	-11.0 (-1.6%)	-28.6 (-4.9%)	-0.5 (-0.1%)	3.5 (0.6%)	3.5 (0.6%)	-
Bottom-line Profit	26.9 (4.8%)	-17.4 (-2.5%)	-18.4 (-2.6%)	-251.8 (-43.3%)	5.5 (1.0%)	-0.5 (-0.1%)	-2.9 (-0.5%)	-
Avg. Exchange Rates								
USD/JPY	128.57	137.38	140.60	131.35	137.37	144.63	147.89	
Euro/JPY	136.60	137.84	142.81	140.60	149.46	157.29	159.10	

Net Sales

Operating Profit

Bottom-line Profit



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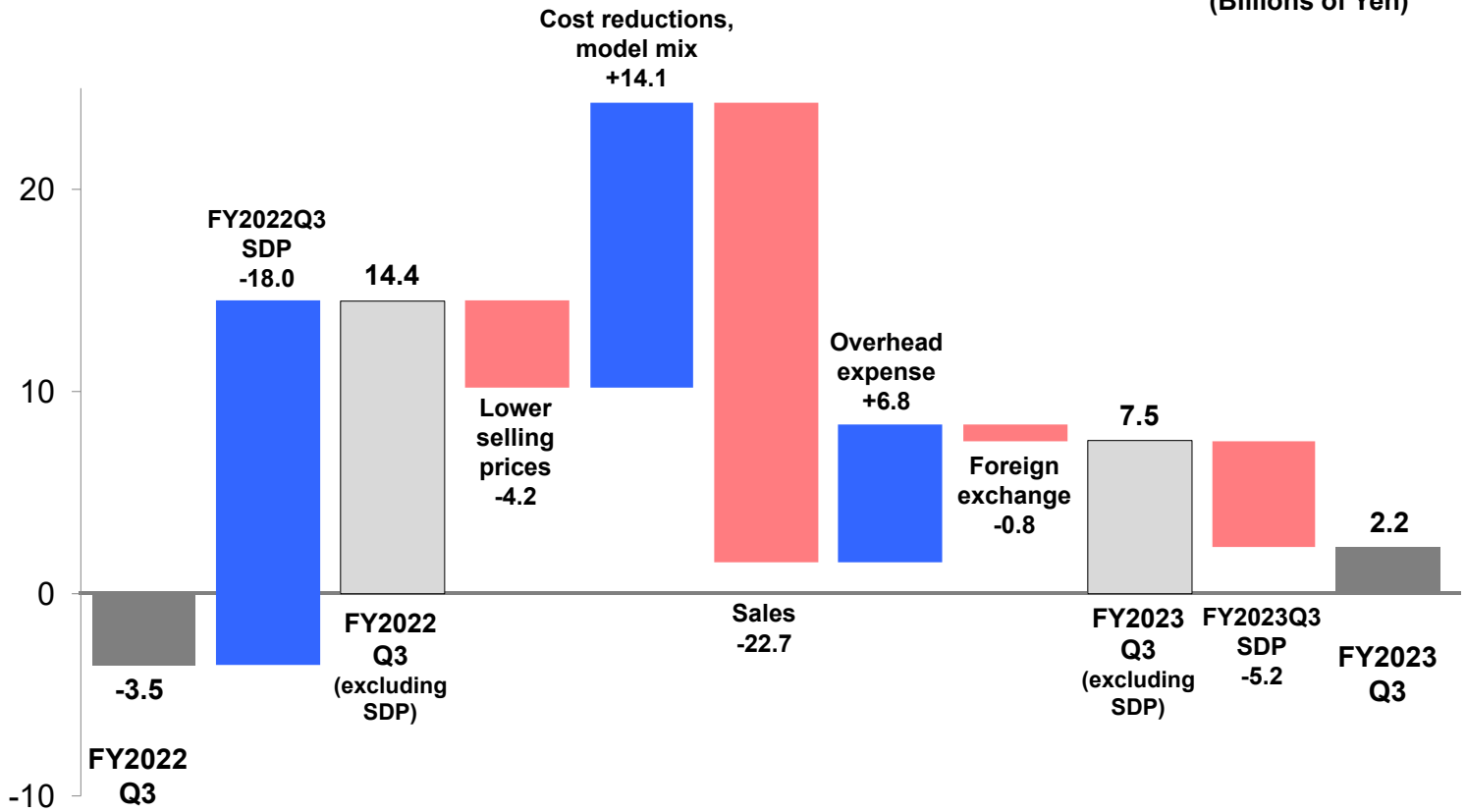
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- This slide provides highlights of our financial results for Q3, fiscal 2023.
- Net sales amounted to 606.4 billion yen, a decrease of 14.5% year on year.
- Operating profit was 2.2 billion yen, while we posted an operating loss of 3.5 billion yen in the same period in the previous fiscal year. Ordinary profit was 3.5 billion yen, while we posted an ordinary loss of 11.0 billion yen in the same period in the previous fiscal year. Bottom-line loss was 2.9 billion yen, while we posted a bottom-line loss of 18.4 billion yen in the same period in the previous fiscal year.

These results improved year on year, and operating profit, an indicator of profit in our main businesses, grew further from Q1, fiscal 2023.

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

(Management accounting)
(Billions of Yen)

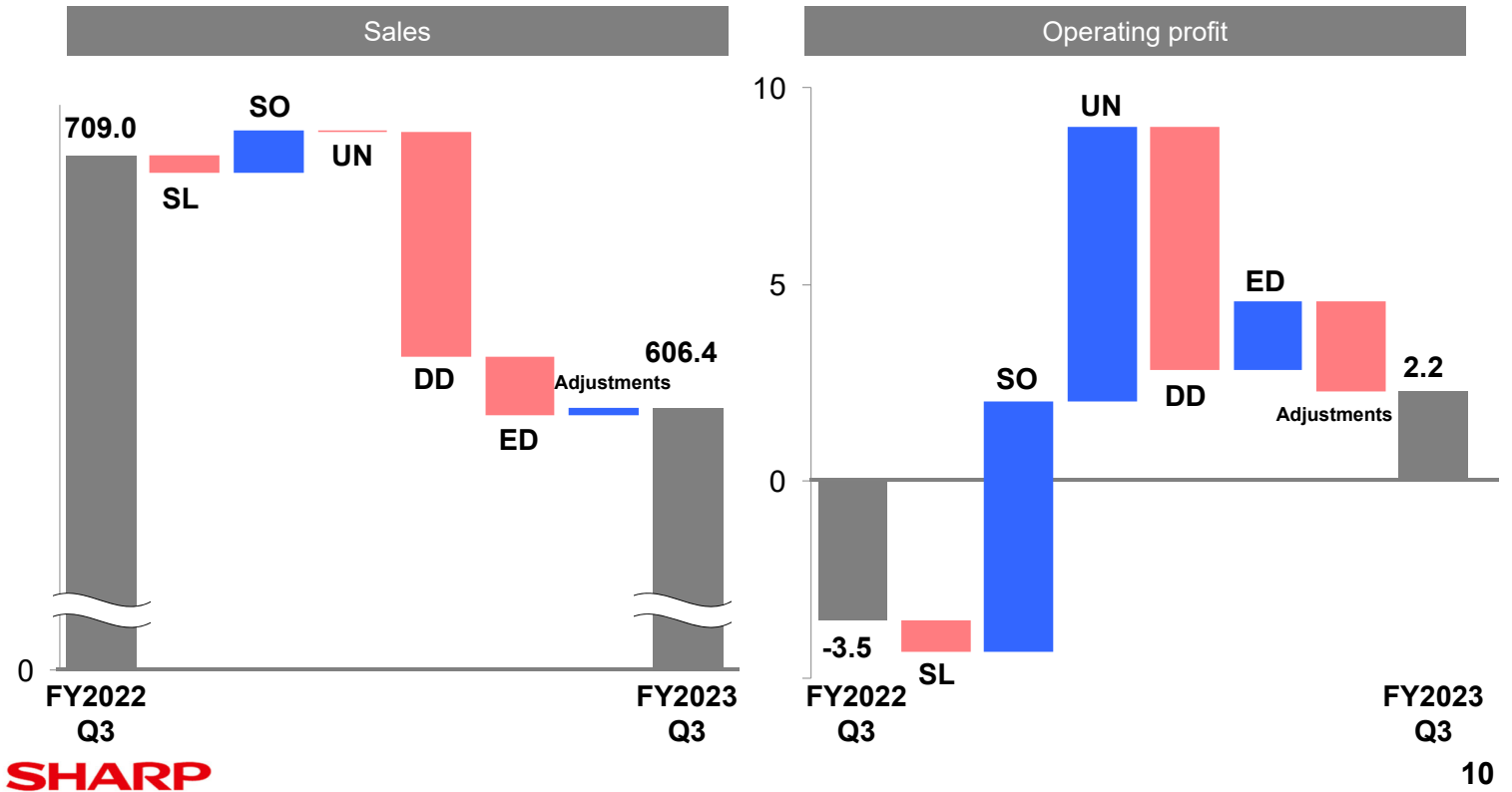


- This graph shows our analysis of year-on-year changes by factors in operating profit for Q3, fiscal 2023.

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

Operating profits for Smart Office and Universal Network increased significantly, where we worked on structural reforms of the challenging PC and mobile communication businesses

(Billions of Yen)

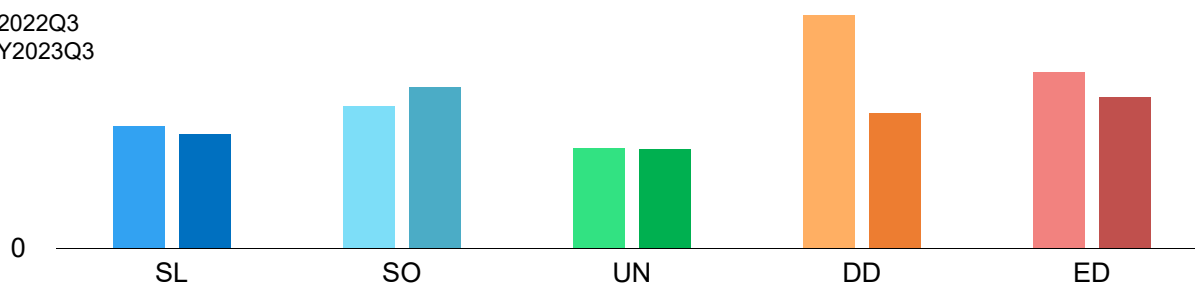


- These graphs provide a year-on-year change analysis by segment for sales and operating profit for Q3, fiscal 2023.
- Operating profits for Smart Office and Universal Network increased significantly, where we worked on structural reforms of the challenging PC and mobile communication businesses.

(Third Quarter) Sales by Segment

(Billions of Yen)	FY2022				FY2023			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Y on Y
Smart Life & Energy	113.2	139.2	113.6	110.6	106.6	116.6	106.6	-6.2%
Smart Office	130.2	151.5	132.6	147.3	126.6	144.8	150.2	+13.3%
Universal Network	77.2	86.2	93.7	76.9	65.7	80.3	92.5	-1.2%
Brand Businesses	320.7	376.9	339.9	335.0	299.0	341.8	349.5	+2.8%
Display Device	189.4	217.1	217.8	135.5	171.3	179.4	126.3	-42.0%
Electronic Device	68.9	118.8	164.4	123.3	83.2	108.1	140.8	-14.4%
Device Businesses	258.3	336.0	382.2	258.8	254.5	287.5	267.1	-30.1%
Subtotal	579.1	712.9	722.2	593.8	553.6	629.4	616.6	-14.6%
Adjustments	-16.9	-17.1	-13.1	-12.8	-12.3	-12.4	-10.2	-
Total	562.1	695.8	709.0	581.0	541.2	617.0	606.4	-14.5%

Left bar, FY2022Q3
Right bar, FY2023Q3



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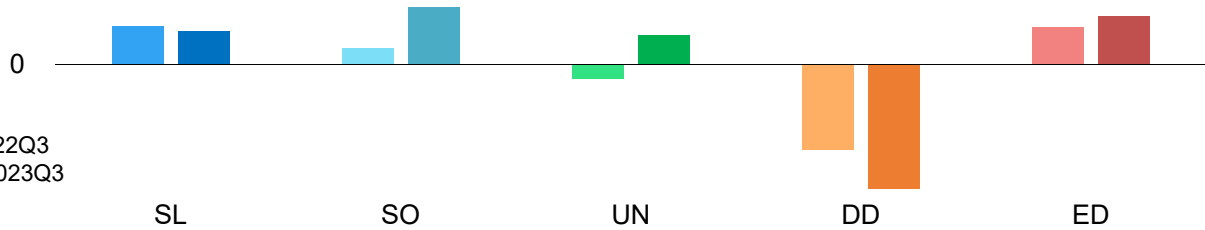
*Sales include inter-segment sales and transfers.

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- This slide shows sales by segment.
- Brand Business sales increased 2.8% year on year to 349.5 billion yen, while Device Business sales decreased 30.1% to 267.1 billion yen.

(Third Quarter) Operating Profit by Segment

(Billions of Yen)	FY2022				FY2023			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Y on Y
Smart Life & Energy	7.4 (6.6%)	9.9 (7.2%)	6.0 (5.4%)	5.8 (5.3%)	6.9 (6.5%)	7.3 (6.3%)	5.2 (5.0%)	-13.4%
Smart Office	1.1 (0.9%)	1.3 (0.9%)	2.6 (2.0%)	9.3 (6.4%)	3.1 (2.5%)	6.7 (4.7%)	9.0 (6.0%)	+244.2%
Universal Network	0.3 (0.5%)	-4.6 (-5.3%)	-2.3 (-2.5%)	-1.2 (-1.6%)	1.7 (2.7%)	1.2 (1.6%)	4.6 (5.0%)	-
Brand Businesses	8.9 (2.8%)	6.7 (1.8%)	6.4 (1.9%)	13.9 (4.2%)	11.7 (3.9%)	15.4 (4.5%)	18.9 (5.4%)	+195.5%
Display Device	0.6 (0.3%)	-14.4 (-6.6%)	-13.6 (-6.3%)	-39.1 (-28.9%)	-17.3 (-10.1%)	-12.3 (-6.9%)	-19.7 (-15.6%)	-
Electronic Device	0.0 (0.0%)	7.4 (6.2%)	5.9 (3.6%)	1.4 (1.2%)	2.0 (2.5%)	2.5 (2.4%)	7.6 (5.4%)	+29.5%
Device Businesses	0.6 (0.2%)	-6.9 (-2.1%)	-7.7 (-2.0%)	-37.6 (-14.5%)	-15.2 (-6.0%)	-9.7 (-3.4%)	-12.1 (-4.5%)	-
Subtotal	9.6 (1.7%)	-0.2 (-0.0%)	-1.2 (-0.2%)	-23.6 (-4.0%)	-3.4 (-0.6%)	5.6 (0.9%)	6.8 (1.1%)	-
Adjustments	-3.4	-4.8	-2.2	0.4	-3.6	-4.4	-4.5	-
Total	6.1 (1.1%)	-5.0 (-0.7%)	-3.5 (-0.5%)	-23.1 (-4.0%)	-7.0 (-1.3%)	1.1 (0.2%)	2.2 (0.4%)	-



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*Figures within parentheses indicate operating margin.

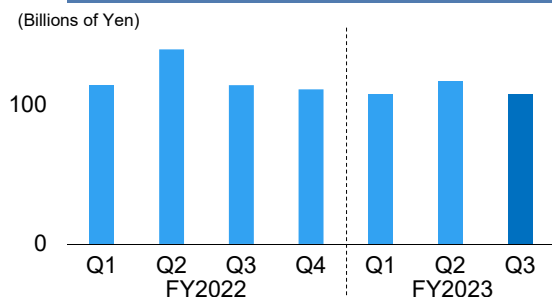
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- This slide provides operating profit by segment.
- Brand Businesses recorded an operating profit of 18.9 billion yen, up 195.5% year on year.
The profitability of the Brand Businesses is on an upward trend and operating margin exceeded 5% in Q3.

Device Businesses recorded an operating loss of 12.1 billion yen, improved 4.4 billion yen from the 7.7 billion yen in operating loss posted in the same period in the previous fiscal year.

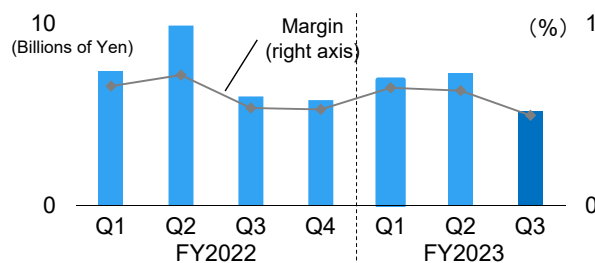
(Billions of Yen)	FY2022				FY2023			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Y on Y
Sales	113.2	139.2	113.6	110.6	106.6	116.6	106.6	-6.2%
Operating Profit	7.4 (6.6%)	9.9 (7.2%)	6.0 (5.4%)	5.8 (5.3%)	6.9 (6.5%)	7.3 (6.3%)	5.2 (5.0%)	-13.4%

Sales (Decrease)



- (dec.) Demand remained weak for washing machines and other white goods in Japan.
- (dec.) We worked to reduce distribution inventories for cooking appliances, air purifiers, etc. in Japan.
- (dec.) Cooking appliance market conditions in the U.S. deteriorated.
- (dec.) The energy solutions business saw a decline in EPC sales.
- (inc.) Beauty appliance sales grew significantly in Japan.
- (inc.) Air conditioner sales remains strong in ASEAN, due to the establishment of a new factory.
- (inc.) Sales for high-value-added refrigerator models expanded in ASEAN.

Operating profit (Decrease)



- (dec.) Decrease in sales.
- (dec.) Weakening of the yen.
- (inc.) Sales for high-value-added products grew in each business.
- (inc.) Cost and expense reduction.

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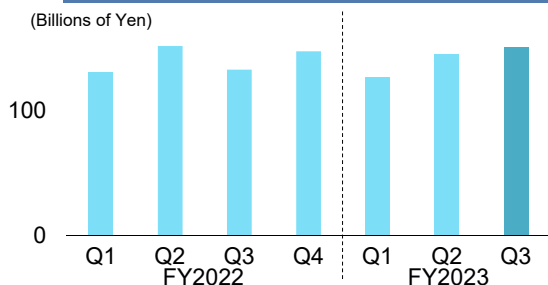
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- This is our performance by segment.
First, I want to address our Smart Life & Energy segment.
- Sales decreased 6.2% year on year to 106.6 billion yen.
While the white goods business sales increased, the energy solutions business posted lower sales.

In the white goods business, domestic sales declined, while overseas sales increased. In Japan, the sales decreased because the demand for consumer electronics slumped as consumer spending shifted to travel, eating out, and also because we worked to reduce distribution inventories for cooking appliances, etc. to manage the inventories appropriately, while sales of beauty appliances grew significantly.
Overseas, while sales decreased in the U.S. and Europe due to sluggish market conditions for cooking appliances, sales increased significantly in ASEAN. In ASEAN, sales of air conditioners grew significantly supported by the newly launched plant in Indonesia, and refrigerators also sold very well.
In the energy solutions business, the EPC business recorded lower sales.
- Operating profit was 5.2 billion yen, down 13.4%. Despite the impact of the yen depreciation, we achieved stable results by promoting high value-added products and reducing costs and expenses.

(Billions of Yen)	FY2022				FY2023			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Y on Y
Sales	130.2	151.5	132.6	147.3	126.6	144.8	150.2	+13.3%
Operating Profit	1.1	1.3	2.6	9.3	3.1	6.7	9.0	+244.2%
	(0.9%)	(0.9%)	(2.0%)	(6.4%)	(2.5%)	(4.7%)	(6.0%)	

Sales (Increase)



(inc.) MFP business and office solution business sales grew significantly, especially in Europe and the U.S.

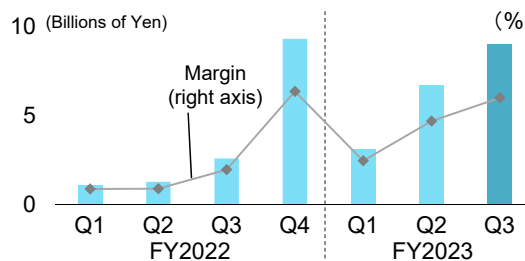
(inc.) In the PC business, shares expanded for domestic enterprise customers and government agencies due to strong performance of premium models for enterprise customers.

(dec.) Demand remained weak for projectors in North America and other regions.

(dec.) The market for PCs was sluggish.

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

Operating profit (Increase)



(inc.) Shift toward high-value-added offerings in the PC and office solution businesses.

(inc.) Increase in MFP business sales.

(inc.) Profitability for PC business and information display business improved significantly due to the progress in structural reforms.

- This slide shows performance in our Smart Office segment.
- Sales increased 13.3% year on year to 150.2 billion yen. Both the business solutions business and PC business grew.

In the business solutions business, sales for the MFP business and office solutions business increased significantly, especially in Europe and the U.S. On the other hand, sales of projectors decreased year on year, as demand in North America slumped.

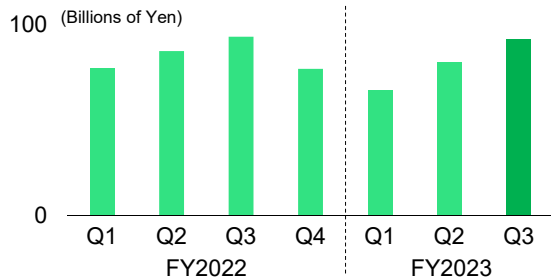
In the PC business, despite weak market conditions, we gained market shares for domestic enterprise customers and government agencies due to strong performance of premium models for enterprise customers.

- Operating profit increased 244.2% year on year to 9.0 billion yen. Both the business solutions business and the PC business recorded significantly higher profits.

The reason includes that we enhanced the high-value-added offering in the PC business and the office solutions business, sales in the MFP business increased. At the same time, we achieved steady results in structural reform.

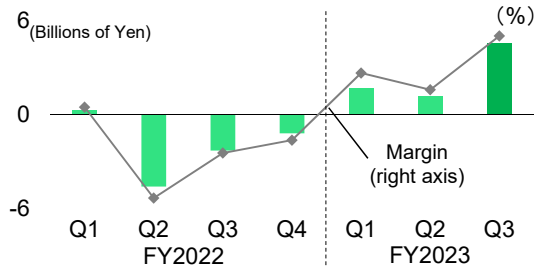
(Billions of Yen)	FY2022				FY2023			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Y on Y
Sales	77.2	86.2	93.7	76.9	65.7	80.3	92.5	-1.2%
Operating Profit	0.3 (0.5%)	-4.6 (-5.3%)	-2.3 (-2.5%)	-1.2 (-1.6%)	1.7 (2.7%)	1.2 (1.6%)	4.6 (5.0%)	-

Sales (Decrease)



- (dec.) In the TV business, price competition remains in China.
- (dec.) In the mobile communication business, domestic demand continues to slow.
- (inc.) In the TV business, high-value-added models remained strong, mainly in Japan.

Operating profit (Increase)



- (inc.) Positive effects of structural reforms.
- (inc.) Shift toward high-value-added offerings in the TV business.
- (inc.) Progress in cost and expense reduction in the mobile communication business.
- (inc.) Recorded one-time revenue in the mobile communication business
- (dec.) Decrease in sales.
- (dec.) Weakening of the yen.

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- This slide shows performance for Universal Network.
- Sales decreased 1.2% year on year to 92.5 billion yen. While TV business sales increased, the mobile communication business posted lower sales.

In the TV business, sales of high-value-added models increased mainly in Japan, while sales in China declined due to price competition.

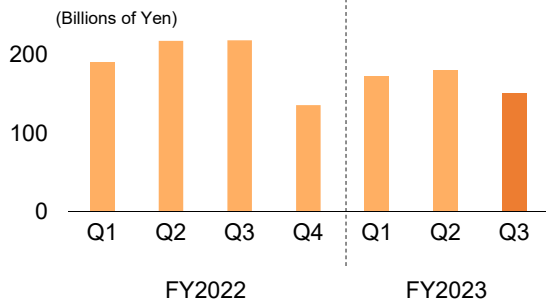
In the mobile communication business, domestic demand continues to be sluggish.
- Operating profit increased by 6.9 billion yen to 4.6 billion yen from the operating loss of 2.3 billion yen in the same period of the previous fiscal year.

Operating profit improved significantly due to increased high-value-added sales and the recognition of one-time revenue.

Display Device

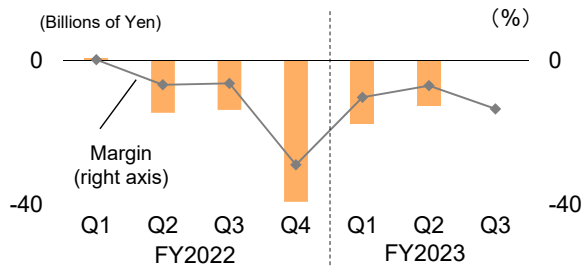
(Billions of Yen)	FY2022				FY2023			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Y on Y
Sales	189.4	217.1	217.8	135.5	171.3	179.4	126.3	-42.0%
Operating Profit	0.6 (0.3%)	-14.4 (-6.6%)	-13.6 (-6.3%)	-39.1 (-28.9%)	-17.3 (-10.1%)	-12.3 (-6.9%)	-19.7 (-15.6%)	-

Sales (Decrease)



- (dec.) Delayed recovery in the PC and tablet market impacted sales.
- (dec.) Decrease in panel sales for smartphones due to challenging market condition.
- (dec.) Delayed recovery in demand for automotive displays in the U.S. and other areas.
- (inc.) Improved demand for large displays

Operating profit (Decrease)



- (dec.) Decrease in sales of small- and medium-size displays.
- (inc.) Recovery in selling prices of large displays.
- (inc.) Progress in cost and expense reduction.

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▪ This slide shows performance for Display Device.

▪ Sales declined 42.0% year on year to 126.3 billion yen.

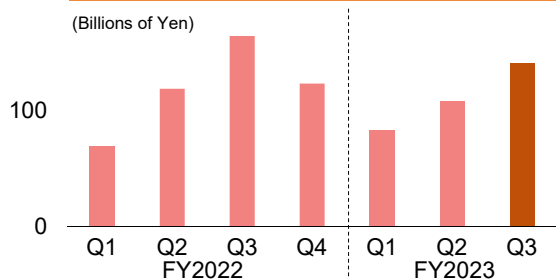
Sales of panels for smartphones and PCs/tablets decreased due to the slow recovery of market conditions, while sales of large-size panels increased due to improved demand.

▪ Operating loss increased by 6.1 billion yen year on year, from 13.6 billion yen to 19.7 billion yen.

While the loss of the large-size display business got smaller, the profit in the small- and medium-size display business fell sharply.

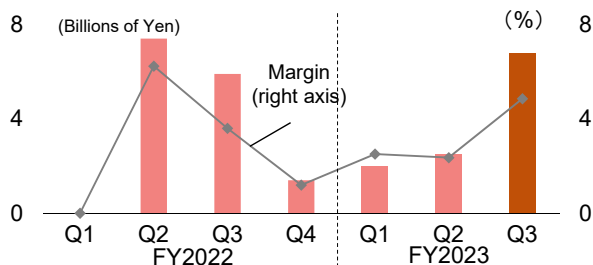
(Billions of Yen)	FY2022				FY2023			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Y on Y
Sales	68.9	118.8	164.4	123.3	83.2	108.1	140.8	-14.4%
Operating Profit	0.0 (0.0%)	7.4 (6.2%)	5.9 (3.6%)	1.4 (1.2%)	2.0 (2.5%)	2.5 (2.4%)	7.6 (5.4%)	+29.5%

Sales (Decrease)



(Dec.) Fluctuating customer demand for sensor modules.
 (Dec.) Decrease in sales of LCD drivers due to sluggish demand for displays.

Operating profit (Increase)



(inc.) Expense reduction.
 (inc.) Weakening of the yen.
 (dec.) Decrease in sales.



- This slide shows Electronic Device performance.
- Sales decreased 14.4% year on year to 140.8 billion yen. Customer demand for sensor modules fluctuated. At the same time, sales of LCD drivers decreased due to the lower demand for displays.
- Operating profit increased 29.5% year on year to 7.6 billion yen due to a reduction in expenses and the weakening of the yen, while sales declined.

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

(Billions of Yen)	FY2022				FY2023			Difference (Y on Y)
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	
Operating Profit	6.1	-5.0	-3.5	-23.1	-7.0	1.1	2.2	+5.7
Non-operating Income (Expenses)	+11.3	-3.1	-7.5	-5.4	+6.5	+2.3	+1.2	+8.7
Interest expenses	-0.9	-2.6	-2.9	-2.7	-2.9	-2.6	-2.5	+0.4
Foreign exchange gains (losses)	+13.0	+5.7	-1.1	-0.3	+6.2	+2.9	+0.4	+1.5
Investment income (expenses)	+4.1	+1.5	+0.8	+0.2	+0.2	+0.3	+0.3	-0.5
Share of profit (loss) of entities accounted for using equity method	-5.1	-6.9	-5.7	-2.5	+1.3	+2.4	+2.9	+8.6
Ordinary Profit	17.4	-8.2	-11.0	-28.6	-0.5	3.5	3.5	+14.5
Extraordinary Income (Losses)	+12.2	-1.3	+3.3	-222.7	+9.3	-0.9	-3.4	-6.7
Gain on sale of non-current assets	+0.9	+1.0	+4.7	+0.4	+0.5	+2.0	+0.6	-4.1
Gain on step acquisitions	+12.4	-	-	-	+1.3	-	-	-
Gain on change in equity	+0.2	-	-	-	+4.2	-	-	-
Gain on reversal of liabilities	-	-	-	-	+4.8	-	-	-
Business restructuring expenses	-	-1.0	-0.3	-3.0	-	-0.6	-0.2	+0.1
Impairment losses	-	-	-0.5	-219.9	-1.4	-1.8	-1.0	-0.5
Loss on sale of business	-	-	-	-	-	-	-2.3	-2.3
Provision for loss on litigation	-1.4	-0.8	+0.2	-0.0	-	-	-	-0.2
Pretax Income	29.6	-9.6	-7.6	-251.4	8.8	2.6	0.0	+7.6
Income Taxes, etc.	-2.7	-7.8	-10.7	-0.4	-3.2	-3.2	-3.0	+7.7
Bottom-line Profit	26.9	-17.4	-18.4	-251.8	5.5	-0.5	-2.9	+15.5

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- This slide addresses non-operating income, extraordinary income, and income taxes.
- We posted a loss on sale of business due to the transfer of Kantatsu Co., Ltd. etc. in extraordinary losses in Q3, fiscal 2023.

Consolidated Balance Sheets

- Cash and deposits amounted to 211.9 billion yen, net assets amounted to 268.1 billion yen, and equity ratio was 14.5%.

(Billions of Yen)

	FY2022	FY2023			FY2022	FY2023	
	End of Mar.	End of Sep.	End of Dec.		End of Mar.	End of Sep.	End of Dec.
Cash and deposits	262.0	249.0	211.9	Notes and accounts payable – trade, etc.	371.8	426.1	398.4
Notes and accounts receivable – trade, etc.	438.0	485.0	434.6	Short-term borrowings	163.8	198.4	171.2
Inventories	299.3	302.9	302.3	Current portion of bonds payable	0.0	0.0	0.0
Other current assets	87.6	86.4	84.3	Other current liabilities	346.7	355.0	339.0
Current Assets	1,087.0	1,123.4	1,033.2	Current Liabilities	882.5	979.6	908.7
Property, plant and Equipment	389.2	394.9	390.9	Bonds payable	0.0	0.0	0.0
Intangible assets	35.8	37.8	35.0	Long-term borrowings	542.7	456.1	446.4
Investments and other Assets	260.7	294.2	288.6	Other non-current liabilities	125.3	127.6	124.6
Non-current Assets	685.8	727.0	714.7	Non-current Liabilities	668.0	583.7	571.0
Total Assets	1,772.9	1,850.4	1,747.9	Net Assets	222.3	287.0	268.1
				Total Liabilities and Net Assets	1,772.9	1,850.4	1,747.9
Exchange Rate, End of Period							
USD/JPY	132.54	149.58	141.82	Equity Ratio	11.8%	14.7%	14.5%
Euro/JPY	144.22	157.97	157.09	Equity	208.4	272.3	253.8

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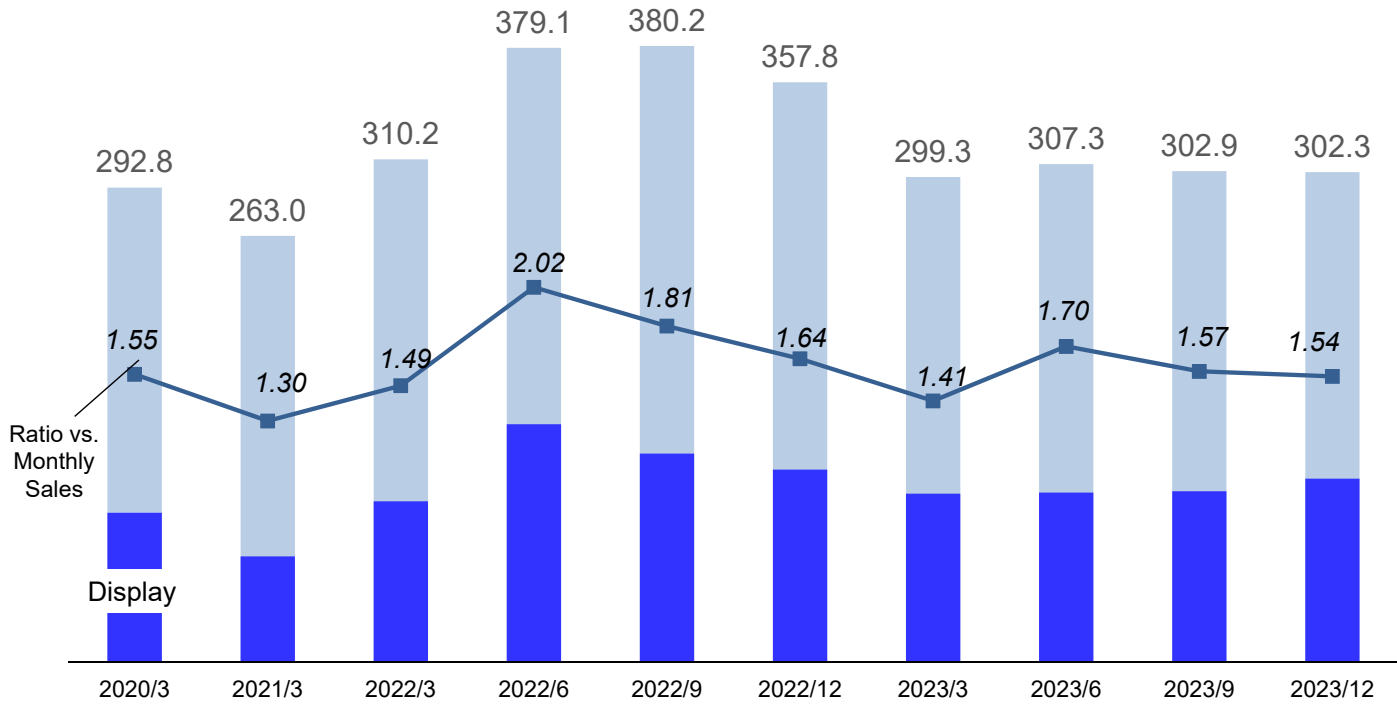
19

- This slide provides information about our balance sheets.
- Cash and deposits amounted to 211.9 billion yen, while we posted 249.0 billion yen at the end of September 2023.
Net assets amounted to 268.1 billion yen, while we posted 287.0 billion yen at the end of September 2023.
The equity ratio was 14.5%, while it was 14.7% at the end of September 2023.

Inventory Trends

- Inventory amounted to 302.3 billion yen, while we posted 302.9 billion yen at the end of September 2023 and are at an appropriate level in line with the sales plans for the fourth 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

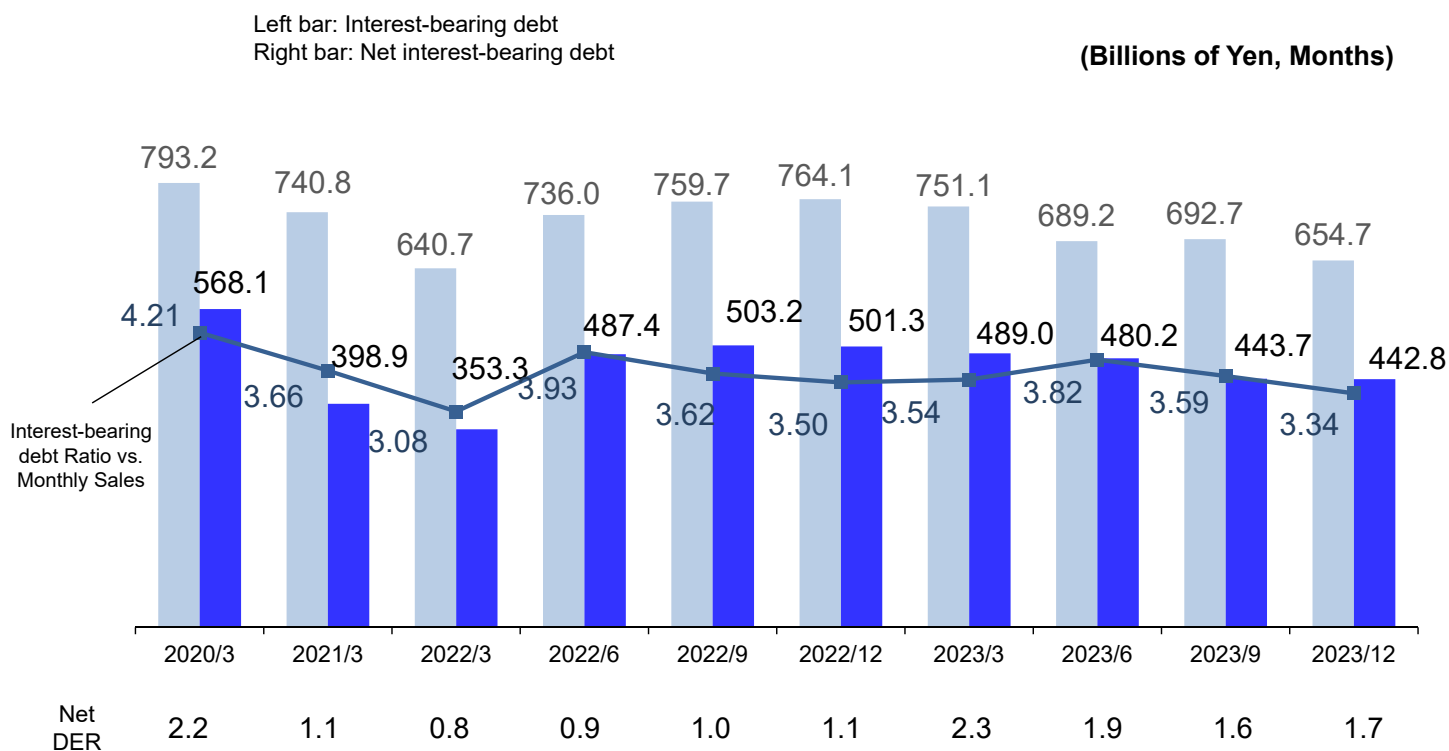
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- This slide shows our inventory trends.
- Inventory amounted to 302.3 billion yen, while we posted 302.9 billion yen at the end of September 2023, and are at an appropriate level in line with the sales plan for the fourth quarter onward.
- We will continue to monitor changes in the situation and strive to manage inventories appropriately.

Interest-Bearing Debt Trends

• Net interest-bearing debt amounted to 442.8 billion yen, while we posted 443.7 billion yen at the end of September 2023.



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

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- This slide provides interest-bearing debt.
- Net interest-bearing debt amounted to 442.8 billion yen, while we posted 443.7 billion yen at the end of September 2023.

III. Consolidated Financial Results Forecast for Fiscal 2023

Consolidated Financial Results Forecast for Fiscal 2023

- We revised our financial results forecast due to extremely difficult market conditions for small- and medium-size displays.

(Billions of Yen)

	FY2022	FY2023			
	Fiscal Year	Fiscal-year Previous Forecast	Fiscal-Year Revised Forecast	YoY	Revision
Net Sales	2,548.1	2,560.0	2,350.0	-7.8%	-210.0
Operating Profit (margin)	-25.7 (-1.0%)	40.0 (1.6%)	0.0 (0.0%)	-	-40.0
Ordinary Profit (margin)	-30.4 (-1.2%)	39.0 (1.5%)	4.0 (0.2%)	-	-35.0
Bottom-line Profit (margin)	-260.8 (-10.2%)	10.0 (0.4%)	-10.0 (-0.4%)	-	-20.0
Avg. Exchange Rate		(H2)	(Q4)		
USD/JPY	134.48	145.00	145.00		
Euro/JPY	139.46	155.00	155.00		

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- This slide provides highlights of our financial results forecast for fiscal 2023.
- Since we announced the previous results forecast, market conditions for small- and medium-size displays have become very challenging, including the delayed recovery of demand for smartphones and PCs/tablets

In light of these conditions, we revised our financial results forecast.

- As our business performance has been recovering since Q1, fiscal 2023, we will continue to strive for further recovery.

Thank you for your attention.

IV. Supplementary Data

Consolidated Financial Results

(Billions of Yen)

	FY2022			FY2023		
	First Half	Second Half	Fiscal Year	First Half	Second Half Forecast	Fiscal Year Forecast
Net Sales	1,257.9	1,290.1	2,548.1	1,158.2	1,191.8	2,350.0
Operating Profit	1.0	-26.7	-25.7	-5.8	5.8	0.0
(margin)	(0.1%)	(-2.1%)	(-1.0%)	(-0.5%)	(0.5%)	(0.0%)
Ordinary Profit	9.2	-39.7	-30.4	3.0	1.0	4.0
(margin)	(0.7%)	(-3.1%)	(-1.2%)	(0.3%)	(0.1%)	(0.2%)
Bottom-line Profit	9.4	-270.2	-260.8	4.9	-14.9	-10.0
(margin)	(0.8%)	(-21.0%)	(-10.2%)	(0.4%)	(-1.3%)	(-0.4%)

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S-2

Consolidated Quarterly Financial Results

(Billions of Yen)

	FY2022				FY2023		
	Q1	Q2	Q3	Q4	Q1	Q2	Q3
Net Sales	562.1	695.8	709.0	581.0	541.2	617.0	606.4
Operating Profit	6.1	-5.0	-3.5	-23.1	-7.0	1.1	2.2
(margin)	(1.1%)	(-0.7%)	(-0.5%)	(-4.0%)	(-1.3%)	(0.2%)	(0.4%)
Ordinary Profit	17.4	-8.2	-11.0	-28.6	-0.5	3.5	3.5
(margin)	(3.1%)	(-1.2%)	(-1.6%)	(-4.9%)	(-0.1%)	(0.6%)	(0.6%)
Bottom-line Profit	26.9	-17.4	-18.4	-251.8	5.5	-0.5	-2.9
(margin)	(4.8%)	(-2.5%)	(-2.6%)	(-43.3%)	(1.0%)	(-0.1%)	(-0.5%)

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S-3

Sales by Segment

(Billions of Yen)

	FY2022			FY2023
	First Half	Second Half	Fiscal Year	First Half
Smart Life & Energy	252.4	224.3	476.8	223.3
Smart Office	281.7	280.0	561.7	271.4
Universal Network	163.4	170.6	334.1	146.1
Brand Businesses	697.7	675.0	1,372.7	640.9
Display Device	406.6	353.3	759.9	350.7
Electronic Device	187.8	287.7	475.5	191.4
Device Businesses	594.4	641.1	1,235.5	542.1
Subtotal	1,292.1	1,316.1	2,608.2	1,183.0
Adjustments	-34.1	-26.0	-60.1	-24.7
Total	1,257.9	1,290.1	2,548.1	1,158.2

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*Sales include inter-segment sales and transfers.

S-4

Operating Profit by Segment

(Billions of Yen)

	FY2022			FY2023
	First Half	Second Half	Fiscal Year	First Half
Smart Life & Energy	17.4 (6.9%)	11.9 (5.3%)	29.3 (6.2%)	14.2 (6.4%)
Smart Office	2.5 (0.9%)	11.9 (4.3%)	14.5 (2.6%)	9.9 (3.7%)
Universal Network	-4.2 (-2.6%)	-3.5 (-2.1%)	-7.8 (-2.3%)	3.0 (2.1%)
Brand Businesses	15.7 (2.3%)	20.3 (3.0%)	36.1 (2.6%)	27.2 (4.2%)
Display Device	-13.7 (-3.4%)	-52.7 (-14.9%)	-66.4 (-8.7%)	-29.6 (-8.5%)
Electronic Device	7.4 (3.9%)	7.3 (2.6%)	14.7 (3.1%)	4.6 (2.4%)
Device Businesses	-6.3 (-1.1%)	-45.3 (-7.1%)	-51.6 (-4.2%)	-25.0 (-4.6%)
Subtotal	9.3 (0.7%)	-24.9 (-1.9%)	-15.5 (-0.6%)	2.1 (0.2%)
Adjustments	-8.3	-1.7	-10.1	-8.0
Total	1.0 (0.1%)	-26.7 (-2.1%)	-25.7 (-1.0%)	-5.8 (-0.5%)

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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	Q2	Q3
Smart Life & Energy	113.2	139.2	113.6	110.6	106.6	116.6	106.6
Smart Office	130.2	151.5	132.6	147.3	126.6	144.8	150.2
Universal Network	77.2	86.2	93.7	76.9	65.7	80.3	92.5
Brand Businesses	320.7	376.9	339.9	335.0	299.0	341.8	349.5
Display Device	189.4	217.1	217.8	135.5	171.3	179.4	126.3
Electronic Device	68.9	118.8	164.4	123.3	83.2	108.1	140.8
Device Businesses	258.3	336.0	382.2	258.8	254.5	287.5	267.1
Subtotal	579.1	712.9	722.2	593.8	553.6	629.4	616.6
Adjustments	-16.9	-17.1	-13.1	-12.8	-12.3	-12.4	-10.2
Total	562.1	695.8	709.0	581.0	541.2	617.0	606.4

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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	Q2	Q3
Smart Life & Energy	7.4 (6.6%)	9.9 (7.2%)	6.0 (5.4%)	5.8 (5.3%)	6.9 (6.5%)	7.3 (6.3%)	5.2 (5.0%)
Smart Office	1.1 (0.9%)	1.3 (0.9%)	2.6 (2.0%)	9.3 (6.4%)	3.1 (2.5%)	6.7 (4.7%)	9.0 (6.0%)
Universal Network	0.3 (0.5%)	-4.6 (-5.3%)	-2.3 (-2.5%)	-1.2 (-1.6%)	1.7 (2.7%)	1.2 (1.6%)	4.6 (5.0%)
Brand Businesses	8.9 (2.8%)	6.7 (1.8%)	6.4 (1.9%)	13.9 (4.2%)	11.7 (3.9%)	15.4 (4.5%)	18.9 (5.4%)
Display Device	0.6 (0.3%)	-14.4 (-6.6%)	-13.6 (-6.3%)	-39.1 (-28.9%)	-17.3 (-10.1%)	-12.3 (-6.9%)	-19.7 (-15.6%)
Electronic Device	0.0 (0.0%)	7.4 (6.2%)	5.9 (3.6%)	1.4 (1.2%)	2.0 (2.5%)	2.5 (2.4%)	7.6 (5.4%)
Device Businesses	0.6 (0.2%)	-6.9 (-2.1%)	-7.7 (-2.0%)	-37.6 (-14.5%)	-15.2 (-6.0%)	-9.7 (-3.4%)	-12.1 (-4.5%)
Subtotal	9.6 (1.7%)	-0.2 (-0.0%)	-1.2 (-0.2%)	-23.6 (-4.0%)	-3.4 (-0.6%)	5.6 (0.9%)	6.8 (1.1%)
Adjustments	-3.4	-4.8	-2.2	0.4	-3.6	-4.4	-4.5
Total	6.1 (1.1%)	-5.0 (-0.7%)	-3.5 (-0.5%)	-23.1 (-4.0%)	-7.0 (-1.3%)	1.1 (0.2%)	2.2 (0.4%)

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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	First Half	Second-half Forecast	Fiscal Year Forecast
Capital Investment	20.5	23.9	44.5	22.3	37.7	60.0
Displays	4.2	9.9	14.2	10.3	15.0	25.3
Depreciation and Amortization	38.0	46.2	84.2	29.2	35.8	65.0
R&D Expenditures	39.9	38.7	78.7	36.7	48.3	85.0

(Yen)

Avg. Exchange Rate	FY2022			FY2023	
	First Half	Second Half	Fiscal Year	First Half	Q4 Forecast
US Dollar	132.98	135.98	134.48	141.00	145.00
Euro	137.22	141.71	139.46	153.38	155.00

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S-8

Quarterly Capital Investment and Depreciation, etc.

(Billions of Yen)

	FY2022				FY2023		
	Q1	Q2	Q3	Q4	Q1	Q2	Q3
Capital Investment	5.0	15.5	12.3	11.6	8.9	13.3	13.4
Displays	0.9	3.3	4.7	5.2	4.0	6.3	5.8
Depreciation and Amortization	15.6	22.3	22.9	23.2	14.1	15.1	15.6
R&D Expenditures	18.7	21.1	20.4	18.3	17.6	19.1	18.0

(Yen)

Avg. Exchange Rate	FY2022				FY2023		
	Q1	Q2	Q3	Q4	Q1	Q2	Q3
US Dollar	128.57	137.38	140.60	131.35	137.37	144.63	147.89
Euro	136.60	137.84	142.81	140.60	149.46	157.29	159.10

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S-9

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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