

FY2024 Financial Summary and FY2025-2027 Medium-term Management Plan

May 12, 2025
SHARP Corporation



FY2024 Financial Summary

- In fiscal 2024, **sales increased in all three Brand Business segments** compared to the last fiscal year. Despite the negative impact of the depreciating yen, **Brand Business operating profit increased.**
- Although Device Business sales declined, **the operating loss significantly narrowed** due to the effects of structural reforms in the display business and other factors.
- While net sales decreased, **operating profit, ordinary profit, and bottom-line profit further improved** from the last fiscal year and returned to profitability. **Net sales and all profit levels exceeded forecasts.**
- We also made steady progress in **Asset Light Initiatives** and **efforts to establish a foundation for fiscal 2025 and beyond.**

(Billions of Yen)	FY2023	FY2024		Fiscal Year Forecast(Feb.)	Difference
	Fiscal Year	Fiscal Year	Y on Y		
Net Sales	2,321.9	2,160.1	-7.0%	2,130.0	+30.1
Operating Profit (margin)	-20.3 (-0.9%)	27.3 (1.3%)	-	20.0 (0.9%)	+7.3
Ordinary Profit (margin)	-7.0 (-0.3%)	17.6 (0.8%)	-	1.0 (0.0%)	+16.6
Bottom-line Profit (margin)	-149.9 (-6.5%)	36.0 (1.7%)	-	- (positive)	-
Dividends Per Share	0 yen	0 yen			
Avg. Exchange Rate					
USD/JPY	144.62	152.57			

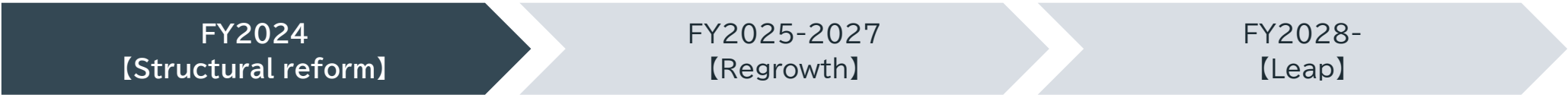
Achieved **double-digit growth** in both sales and operating profit in Brand Business.
Reduced operating losses in Device Business through structural reform in display business

(Billions of Yen)		Sales			Operating Profit		
		FY2023	FY2024		FY2023	FY2024	
		Fiscal Year	Fiscal year	Y on Y	Fiscal Year	Fiscal year	Y on Y
	Smart Life & Energy	452.5	461.3	+2.0%	27.7 (6.1%)	20.3 (4.4%)	-26.8%
	Smart Office	582.0	680.6	+16.9%	29.6 (5.1%)	42.6 (6.3%)	+43.6%
	Universal Network	311.8	338.5	+8.5%	8.8 (2.8%)	18.6 (5.5%)	+110.4%
	Brand Business	1,346.4	1,480.4	+10.0%	66.3 (4.9%)	81.6 (5.5%)	+23.1%
	Display Device	614.9	507.1	-17.5%	-83.2 (-13.5%)	-40.5 (-8.0%)	-
	Electronic Device	401.2	202.2	-49.6%	13.1 (3.3%)	5.7 (2.8%)	-56.3%
	Device Business	1,016.1	709.3	-30.2%	-70.1 (-6.9%)	-34.7 (-4.9%)	-
	Total(Incl. Adjustment)	2,321.9	2,160.1	-7.0%	-20.3 (-0.9%)	27.3 (1.3%)	-

Achieved improvement in each financial indicator,
including equity, inventories, and IB debt compared to the previous year


(Billions of Yen)	FY2023	FY2024	
	End of Mar.	End of Mar.	Difference Y on Y
Equity	142.4	153.3	+10.9
(Equity Ratio)	(9.0%)	(10.5%)	(+1.5pt)
Inventories	269.5	242.0	-27.5
(Ratio vs. Monthly Sales)	(1.39)	(1.34)	(-0.05)
Interest-Bearing Debt	617.5	567.6	-49.9
Net Interest-Bearing Debt	390.4	288.3	-102.1
(Net Debt to Equity Ratio)	(2.7times)	(1.9times)	(-0.8pt)
Free Cash Flow	+135.3	+102.1	-33.2
Exchange Rate, End of Period			
USD/JPY	151.40	149.53	

Made progress in structural reform in Device Business **to create Brand Business focused portfolio.**
Established a foundation for regrowth by **laying the groundwork in Brand Business**



Device Business		Brand Business	
		● Structural reform ▣ Foundations for growth	
DD	Large Display	SLE	● Halted panel production at Sakai Display Product(SDP). Completed the sale of major assets of Green Front Sakai
	Small/medium Display		● Transfer the Kameyama No.2 plant to Hon Hai by August, 2026 (purchase panels for key customers from Hon Hai after the transaction)
ED	Camera module [SSTC]	SO	● Executed a transfer agreement with a subsidiary of Hon Hai (closing is scheduled within FY25 Q1)
	Semiconductor [SFL]	UN	● Executed a transfer agreement with a subsidiary of Hon Hai (closing is scheduled within FY25 Q2)
			● Ceased the European solar panel business
			▣ Strengthened the partnership with Vestel for sales in Europe (integrated the sales function to Vestel)
			▣ Reinforced the partnership with El Araby for the African and Middle Eastern markets
			● Carried out the structural reform in and achieved profitability in display solution business
			▣ Resumed Dealer acquisition to expand IT service business
			▣ Launched an AI-related product (eAssistant Minutes)
			● Decided to close the audio factory in Malaysia, and will cease the production in FY25
			● Ceased production at the TV factory in Malaysia
			▣ Accelerating the development of new businesses, including the satellite communication business

DD : Display Device ED : Electronic Device SLE : Smart Life & Energy SO : Smart Office UN : Universal Network



FY2025-2027

Medium-term Management Plan

To regain **Sharp's identity**, while holding on to the founding spirit “Business Philosophy and Business Creed”

	Purpose	Core values
Approach to Business	Business Philosophy <p>We do not seek merely to expand our business volume. Rather, we are dedicated to the use of our unique, innovative technology to contribute to the culture, benefits and welfare of people throughout the world.</p>	Business Creed <p>Sharp Corporation is dedicated to two principal ideals: "Sincerity and Creativity" By committing ourselves to these ideals, we can derive genuine satisfaction from our work, while making a meaningful contribution to society.</p>
Approach to Human Resources	<p>It is the intention of our corporation to grow hand-in-hand with our employees, encouraging and aiding them to reach their full potential and improve their standard of living.</p>	<p>Sincerity is a virtue fundamental to humanity ... always be sincere. Harmony brings strength ... trust each other and work together. Politeness is a merit ... always be courteous and respectful.</p>
Approach to Stakeholders	<p>Our future prosperity is directly linked to the prosperity of our customers, dealers and shareholders ...indeed, the entire Sharp family.</p>	<p>Creativity promotes progress ... remain constantly aware of the need to innovate and improve. Courage is the basis of a rewarding life ... accept every challenge with a positive attitude.</p>

OUR MISSION

With sincerity, we observe people's daily lives. With creativity, we shape new experiences.

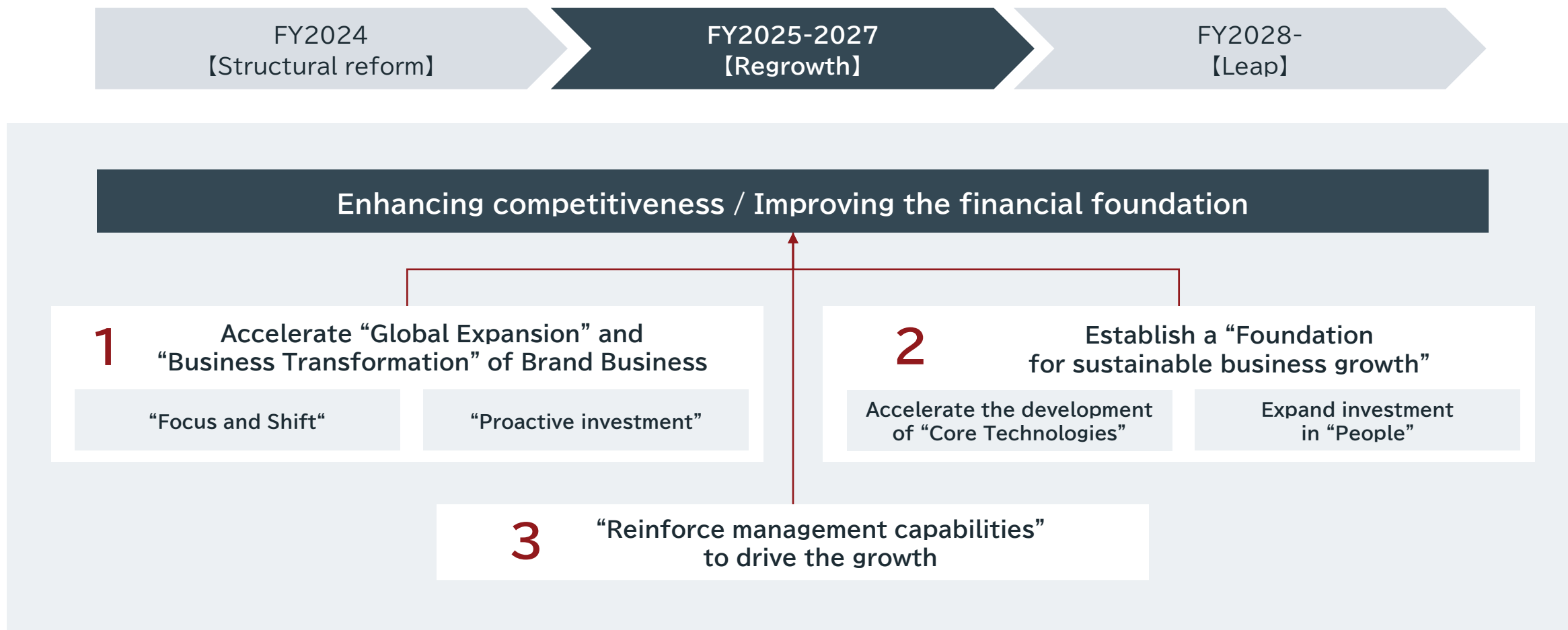
- Our Sincerity, Creating Tomorrow -



To become a company that creates “**New Cultures**” through unique products and services



Moving forward to **regrowth** and future leap by committing to the three key initiatives



Reorganizing the Brand Business into two business groups to advance **"Focus and Shift"**, aiming to enhance profitability and growth potential

Smart Life Business Group

Living

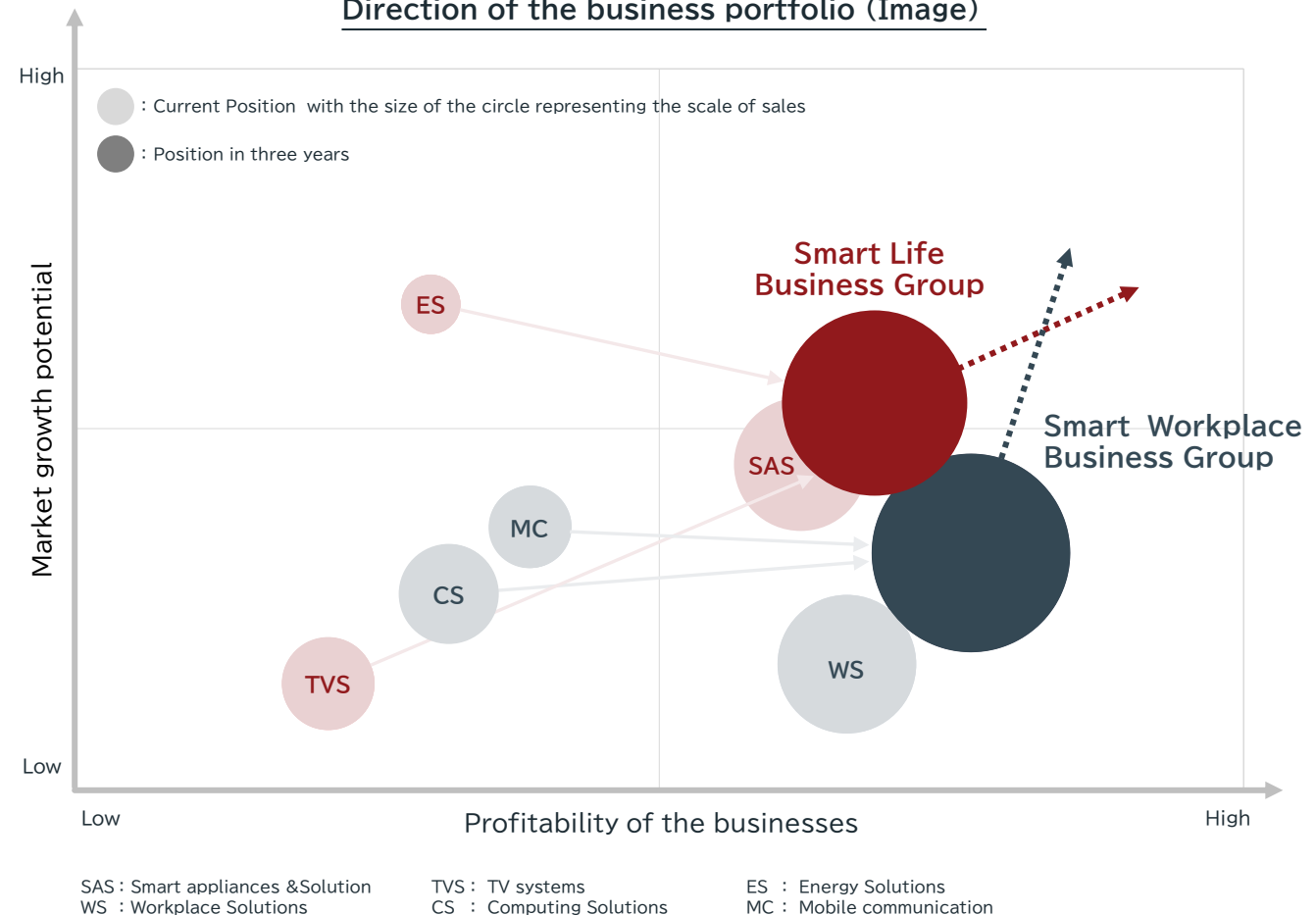
- Aim for global business expansion. "Focus" on areas **where SHARP can leverage its strong market presence and technologies**, while utilizing partnership
- Integrate **AIoT-related businesses**. Creating value to serve for individual needs by transforming into a business model to **utilize more comprehensive data**

Smart Workplace Business Group

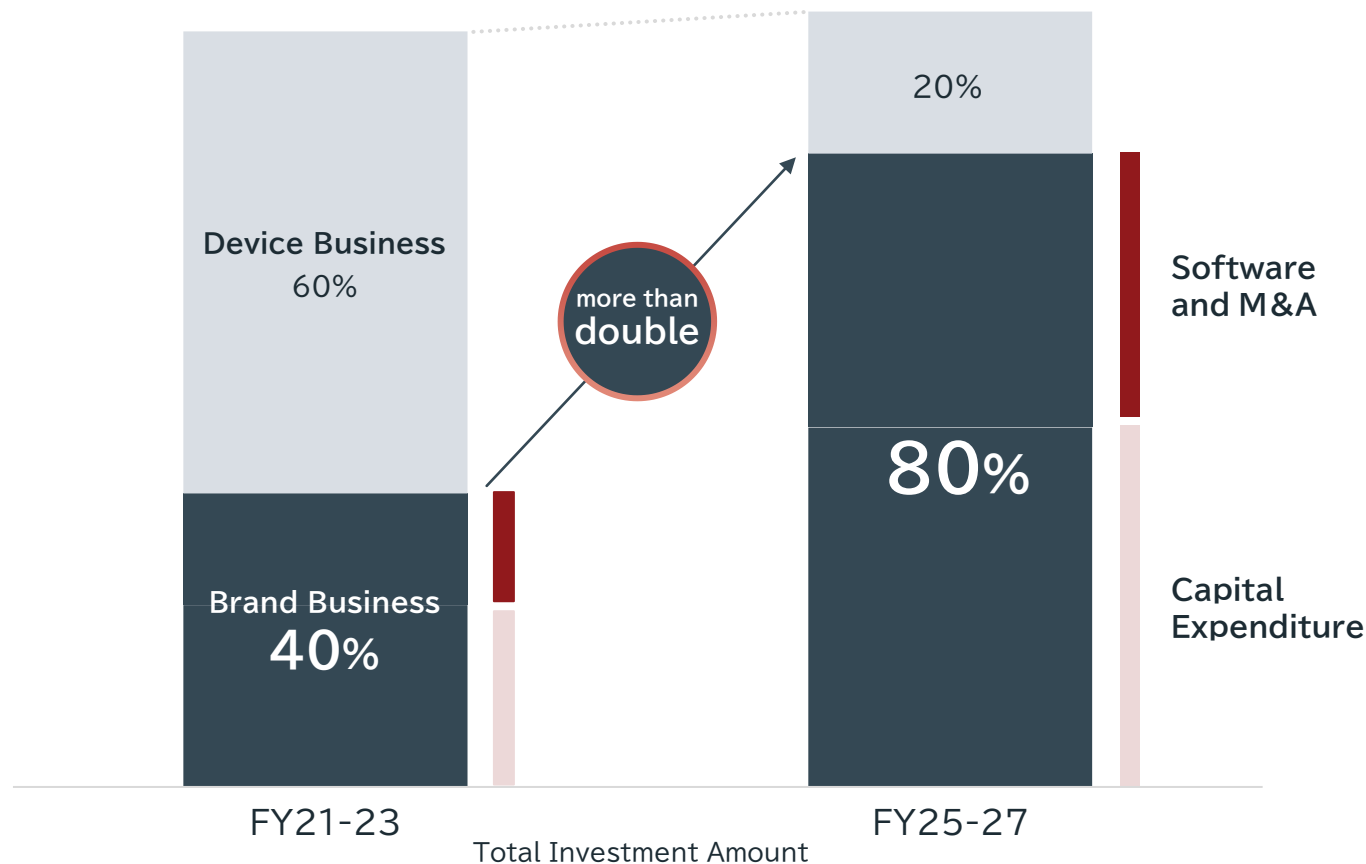
Working

- Integrate **IT and communication technologies**. Speedy "Shift" to a **solution-oriented business model** centered around smart businesses while enhancing products/DX services
- "Focus" on **new business development** and reinforce the business portfolio

Direction of the business portfolio (Image)



More than double the growth capital into the Brand Business to increase its competitiveness and to accelerate the transformation into growth areas



Software and M&A

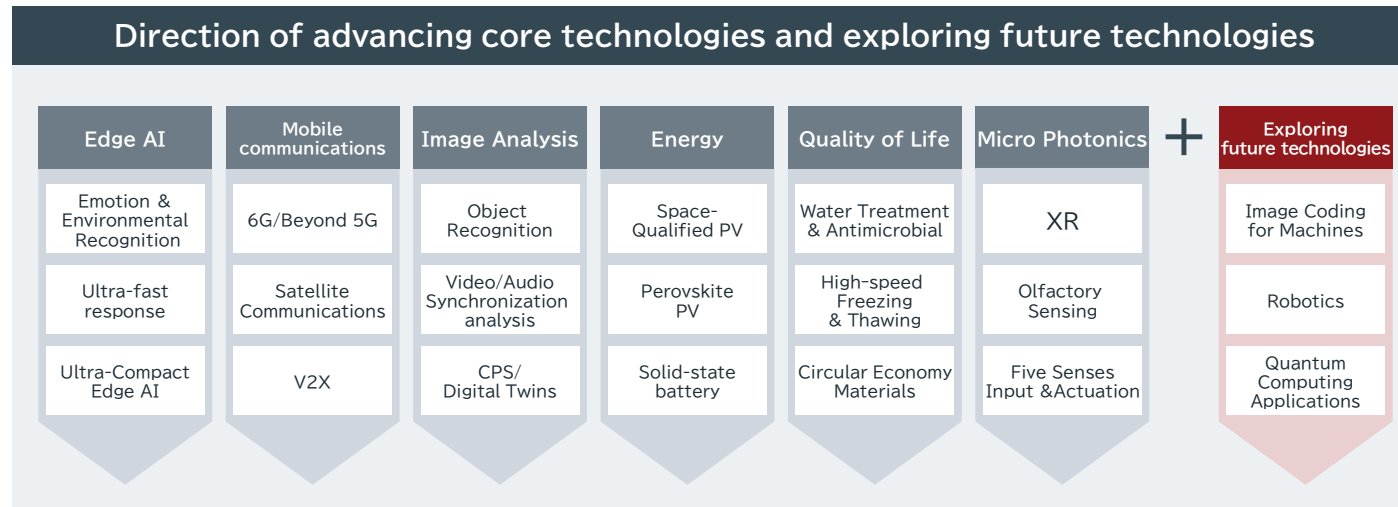
- ✓ Strengthen AI/IT solution business
- ✓ Expand robotics business
- ✓ Strengthen AIoT services
- ✓ Accelerate the growth in beauty and healthcare businesses

Capital Expenditure

- ✓ Enhance production capacity to expand business in ASEAN and the Americas
- ✓ Develop perovskite and space-qualified solar cells
- ✓ Develop LEO satellite communication related technology

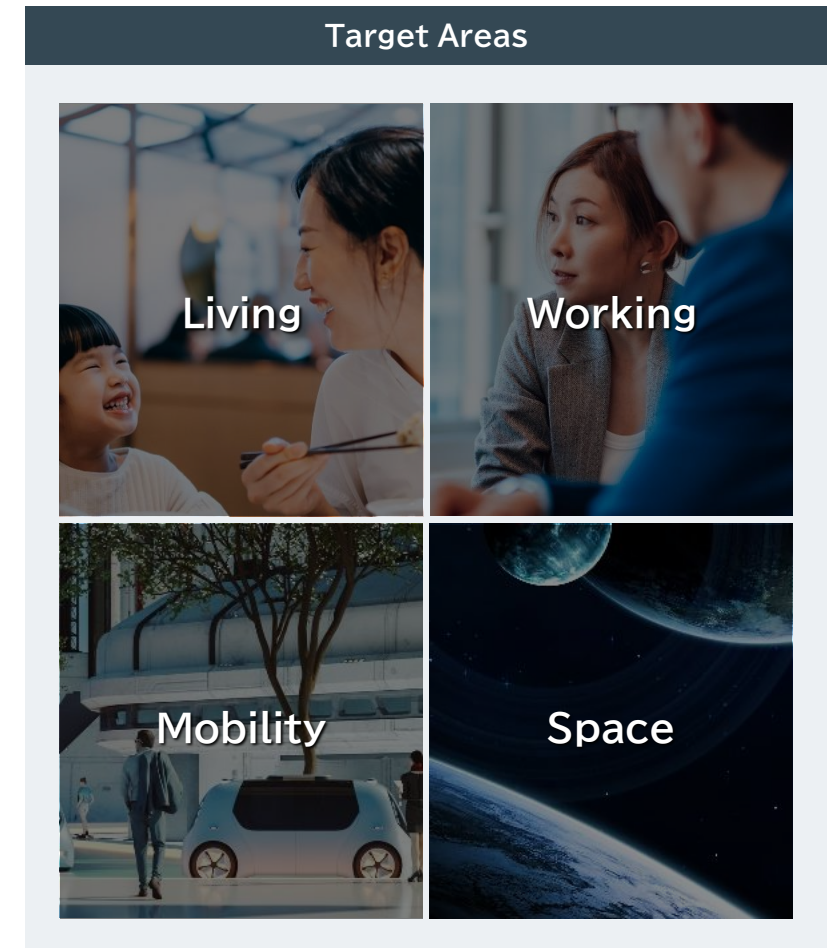
2 Establish a Foundation for Sustainable Business Growth - Accelerating the Development of “Core Technologies”

Advance core technologies and explore future technologies by collaboration
inside and outside the company. Challenge in creating innovations in various fields



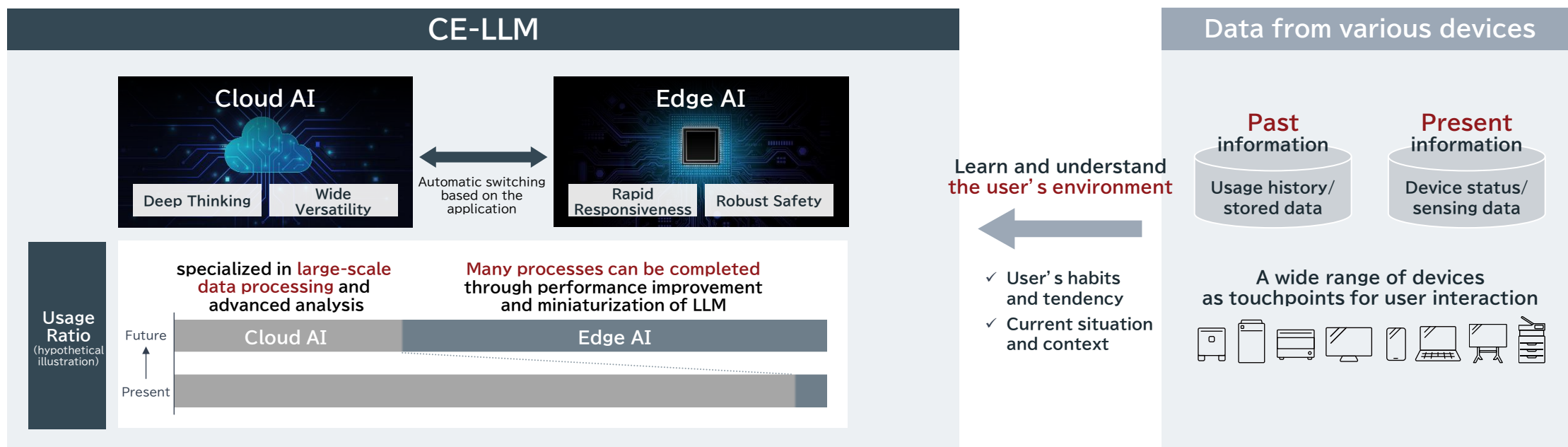
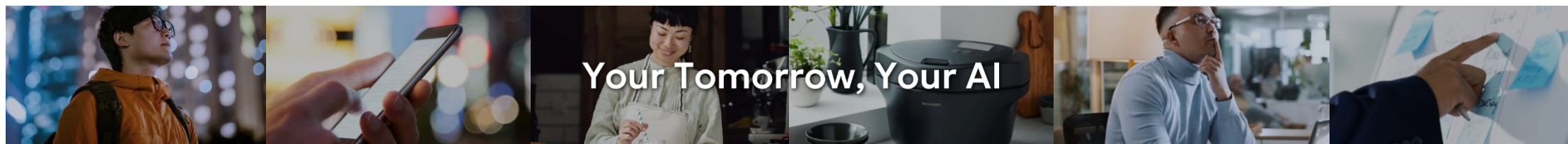
Key activities to accelerate development

- ✓ Accelerate the development of distinctive technologies and new businesses while utilizing the All-SHARP project **“I-Pro”**
- ✓ Establish **an AI dedicated R&D organization**
- ✓ Proactively dispatch staff to domestic and international **universities and research institutions** / expand collaboration **with startups**



2 Establish a Foundation for Sustainable Business Growth - Accelerating the Development of “Core Technologies” [CE-LLM]

Sharp’s proprietary AI technology, “CE-LLM”, combines **Edge/Cloud AI** to provide **customer-optimized solutions** by recognizing each individual customer’s situation, including habits, tendency and status etc.



Support employees’ **skill development and promote challenges**,
to maximize the potential of each individual



*Utilizing the survey system by Link and Motivation Inc.: “B rate” represents the national average level, while “A rate” represents the top 20% of companies

Cultivating and Acquiring Human Resources to Facilitate the Growth

Cultivate AI/Digital talents

- ✓ Introduce a **reskilling program** for Engineers
[AI/Digital Engineers] FY24 : 1,600 ▶ FY27 : **3,200**
- ✓ Bottom-up enhancement of **AI skills and Knowledge of all employees**
- ✓ Strengthen recruitment of **highly specialized talent**
(Provide competitive treatment through flexible reward design)

Strengthen global talent

- ✓ Expand **global talent development program**
 - Strengthen HR management from a company-wide perspective
 - Expand basic training and provide opportunities for working overseas
 - Organize structured OJT for future executive candidates
- ✓ Strengthen recruitment of **talent with overseas experience**

Enhance organizational capability

- ✓ Strengthen the development of **next-generation executive talent**
 - Clarify the profiles of the talent in need
 - Establish a structured development process
- ✓ Expand **hierarchy training**
[Annual training expenditure]
more than double compared to current levels
 - Manager : Introduce a new training program
 - Staff : Implement training in five levels (currently two levels)

Building an Environment that Enables Diverse Talent to Thrive

- ✓ Increase the ratio of female managers
- ✓ Effective use of the experienced and skilled senior employees
- ✓ Expand investment for the work/IT environment
- ✓ Strengthen employee benefits and enhance health management
- ✓ To open new headquarters (Chuo Ward, Osaka City around March, 2026)

Drive the growth and improve management efficiency by clarifying the roles and responsibilities between Corporate and Business Groups

Corporate(Headquarters)

Strongly lead the company-wide growth strategy

- ✓ Promote corporate branding
- ✓ Develop the foundational and innovative technologies that underpin the entire company
- ✓ Cultivate talents and corporate culture that accelerate business transformation
- ✓ Explore and challenge Next Innovation(new industry)
- ✓ Establish infrastructure that reinforces the speed of management
- ✓ Generate company-wide synergies among business units(BU)

President/CEO

CFO

CTO

CBDO

CDO

Business Group(BG)

Accelerate bold business transformation within the business domain

- ✓ Establish growth strategy within each BG
- ✓ Accelerate M&A and foster new business
- ✓ Maximize the synergies among affiliated BUs

Smart Life
BG

COO

- Smart Appliances & Solutions
- TV Systems
- Energy Solutions

Smart Workplace
BG

COO

- Workplace Solutions
- Computing Solutions
- Mobile Communication

Display Device

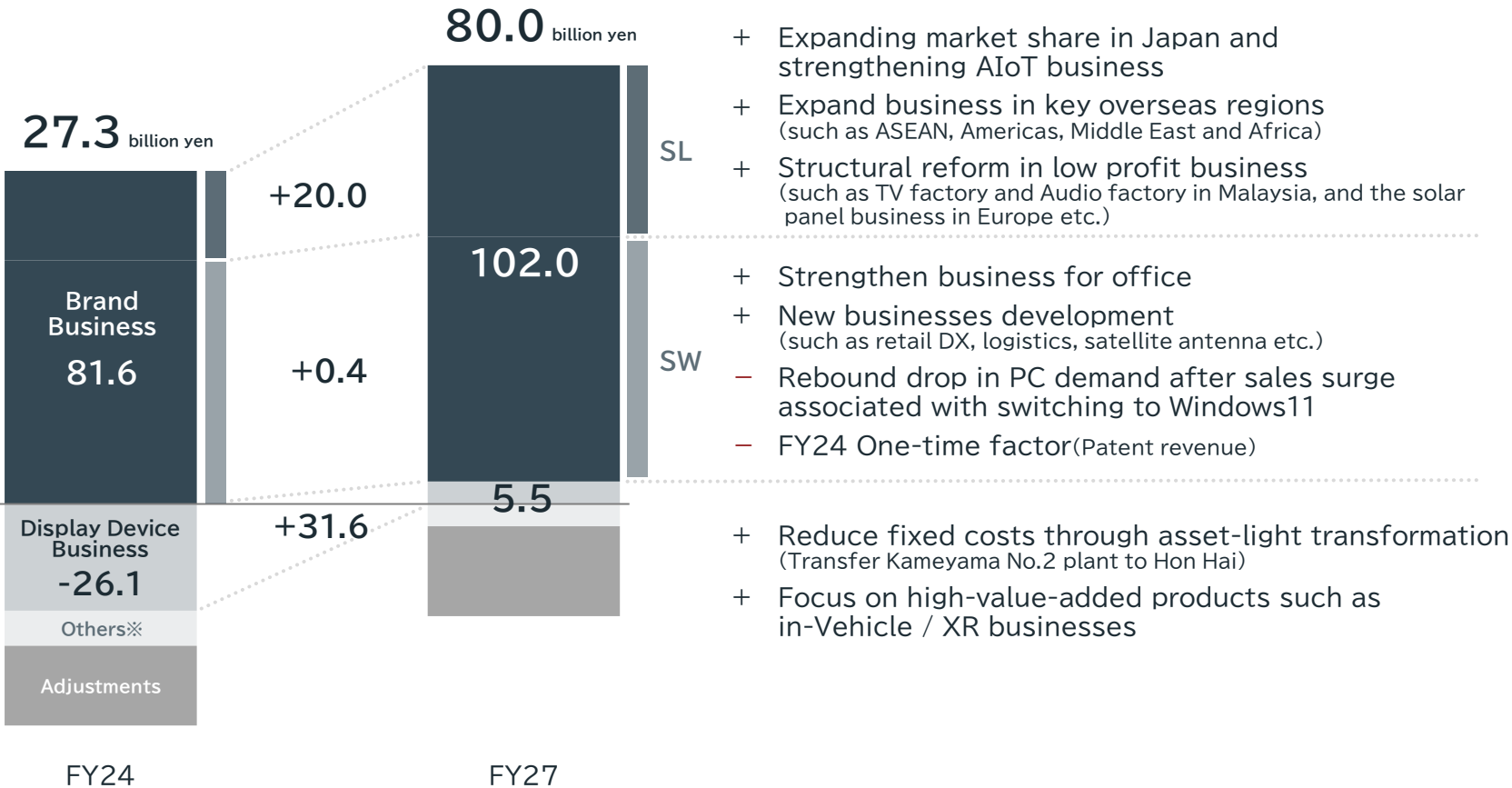
■ : business unit(BU)

Focus on **reducing fixed costs** in Device Business to improve profitability and **strengthen the revenue-generating capacity** of Brand Business, building a foundation for **securing stable profits** to improve financial stability

FY2027 Financial KPI



Major improvement items for operating profit



【Initiatives Policy by Business Segment】

Smart Life Business Group



Creating a tomorrow that's uniquely yours, exciting and full of joy.

Our Sincerity, Creating Tomorrow

To promote the “SHARP” brand globally by offering a unique value proposition to customers around the world.
Create **original products** and **unique services** that help realize a lifestyle true to each person

Develop original products
that offer a new experience

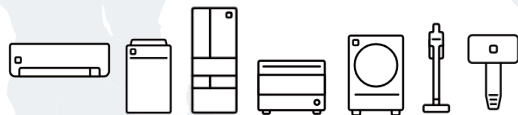
by utilizing distinctive technologies
such as AIoT and generative AI



Deploy unique services
that align with each person

by utilizing a variety of data

Smart Appliances & Solutions



TV Systems



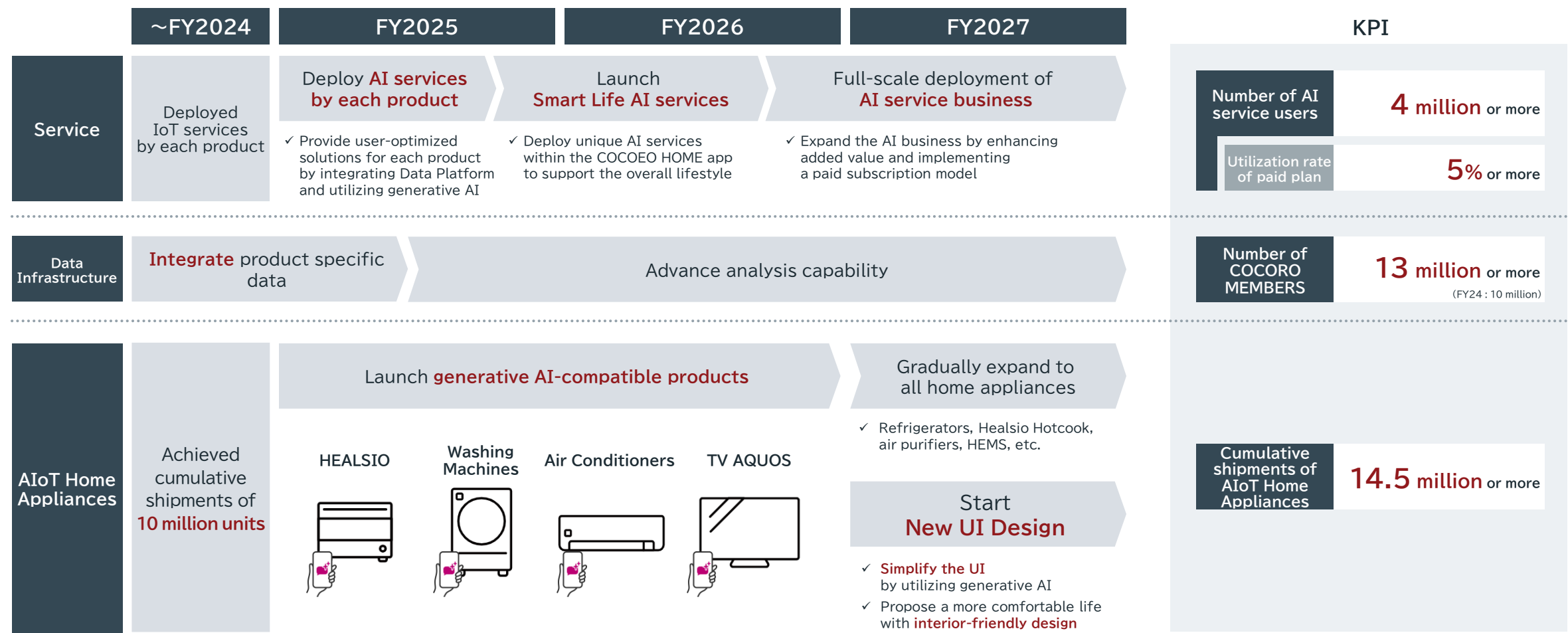
Energy Solutions



Sensor Devices



Expand the AIoT business in products and services. Launch **generative AI-compatible products** one after another and **deploy AI services** utilizing proprietary data starting from FY2025



Address “**Beauty**” and “**Health**” challenges to achieve a healthy lifestyle that is both physically and mentally fulfilling and true to each person

Solution to Beauty Challenges

- Expand the lineup of hair dryer and hair iron such as the **Plasmacluster Beauty** series
- **Challenge new categories** through launching in-house development of body care products and M&A
- **Rebuild brand communication** by strengthening marketing activities through SNS/KOL※ to establish a unique brand image that reflects our company

※Key Opinion Leader

Solution to Health Challenges (Healthcare)

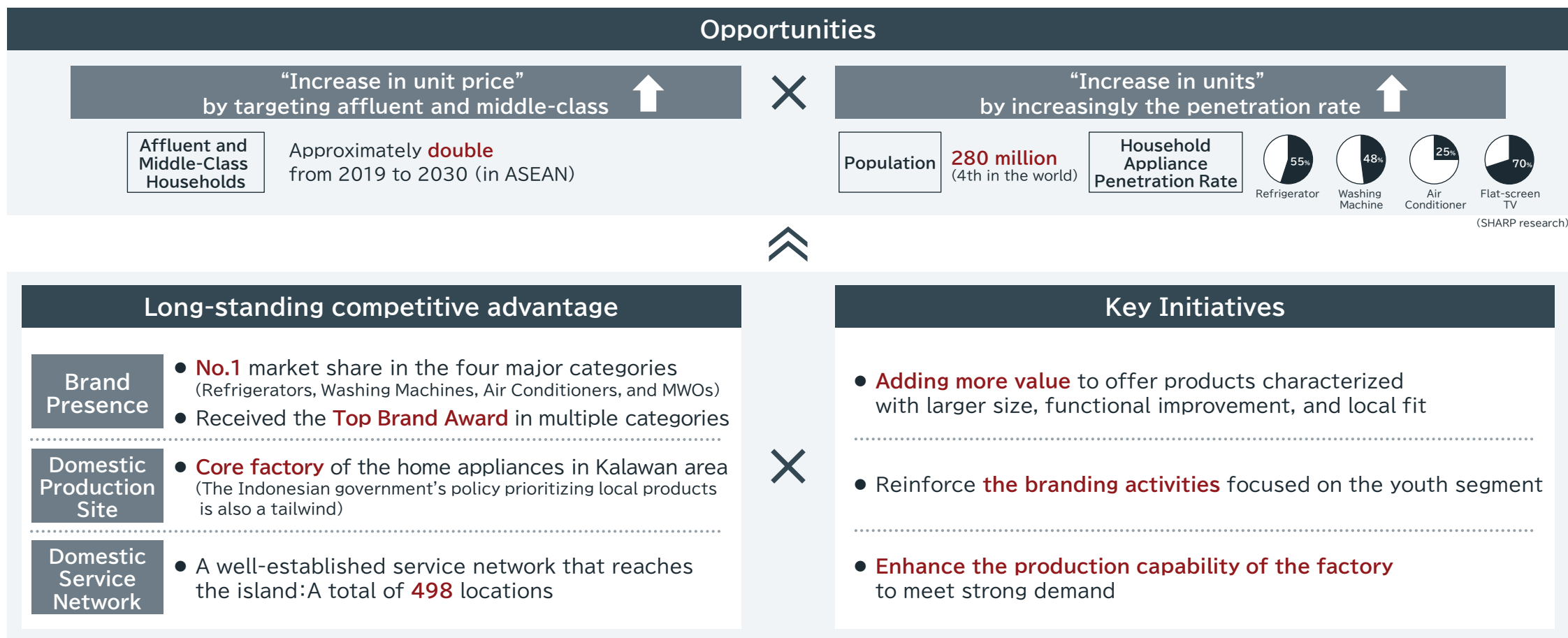
- Accelerate the creation of new business aimed at monitoring and improving health status based on **our unique contactless sensing technology**
 - Monitoring and exercise management solution for corporate customers: 「i-wellebe」
(In addition to facial recognition, measure and record vascular information, heart rate, and temperature all at once)
 - Development of smart mirror
- Propose solutions that address various social issues through **SHARP Insight**
 - Chewing monitor:「bitescan」
 - IoT dispenser for sanitary napkins
 - IoT measuring device(Visualization of FMCG※)

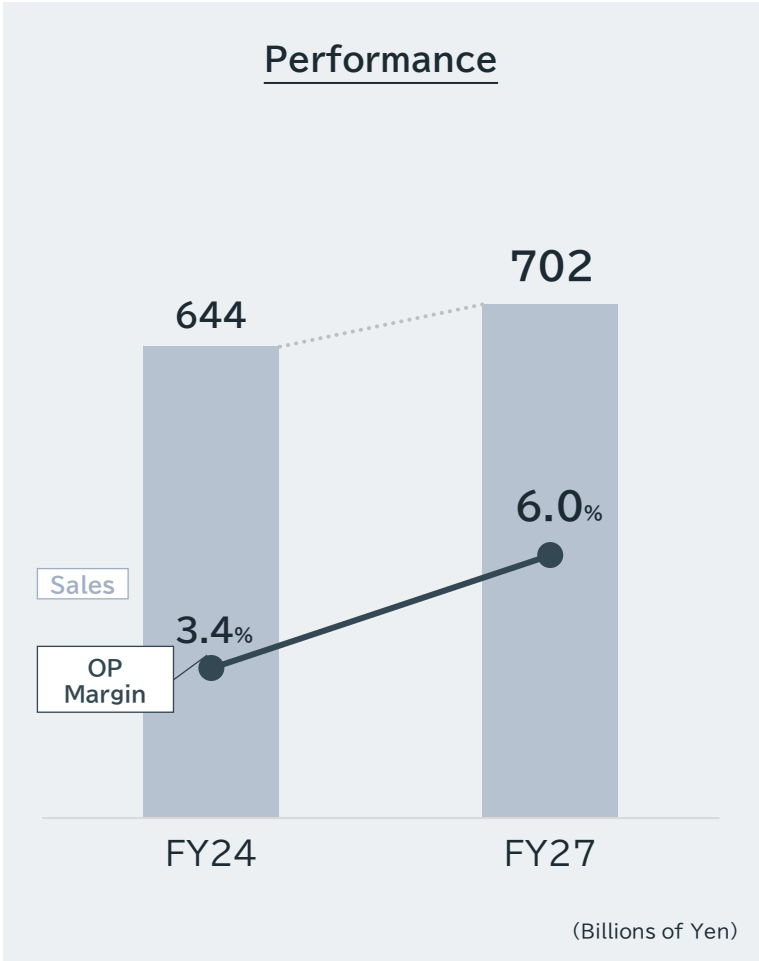
※Fast-Moving Consumer Goods

Aim for substantial growth in **Americas, Middle East and Africa** by leveraging advantages, while further strengthening business in **ASEAN** as a core area

		Key Initiatives	KPI									
Core Area	ASEAN	<ul style="list-style-type: none">● Accelerate increasing value added to the home appliance business in line with economic growth● Strengthen competitiveness in TV business through supply chain optimization using ODM● Reinforce the brand proposition centering on high-value-added products and branding activities for the youth segment <p>[FY27 Brand Investment Amount] 1.5 times compared to FY24</p>	<p>Sales CAGR(FY24→FY27)</p> <p>+8% or more</p> <p>High-value-added products sales ratio</p> <table><tr><td></td><td>FY24</td><td>FY27</td></tr><tr><td>[ALL-ASEAN] TV (Large model)</td><td>29%</td><td>▶ 34%</td></tr><tr><td>[Indonesia] Air conditioner (Inverter model)</td><td>15%</td><td>▶ 30%</td></tr></table>		FY24	FY27	[ALL-ASEAN] TV (Large model)	29%	▶ 34%	[Indonesia] Air conditioner (Inverter model)	15%	▶ 30%
		FY24	FY27									
[ALL-ASEAN] TV (Large model)	29%	▶ 34%										
[Indonesia] Air conditioner (Inverter model)	15%	▶ 30%										
Growth Area	Americas	<ul style="list-style-type: none">● Enter and expand in the major category of kitchen appliances, centered around unique microwave drawers that maintain a solid position in the market<ul style="list-style-type: none">- Enter the large-size oven market in earnest and strengthen the competitiveness of dishwashers● Cultivate the sales network through collaboration with TV OS partners● Reinforce brand investment primarily in kitchen appliances <p>[FY27 Brand Investment Amount] 5.5 times compared to FY24</p>	<p>Sales CAGR(FY24→FY27)</p> <p>+15% or more</p>									
	Middle East and Africa	<ul style="list-style-type: none">● Reinforce the strategic partnership with El Araby (Egypt)<ul style="list-style-type: none">- Expand operations in the region, centered around the newly established large refrigerator factory- Additionally, strengthen collaboration in the sales network with the company	<p>Sales CAGR(FY24→FY27)</p> <p>+10% or more</p>									

Aiming to capture further opportunities by **adding more value to businesses and reinforcing brand strength** based on **our long-standing competitive advantages**





	Outlook (FY24⇒FY27)		Strategic Direction
Smart Life Business Group	Sales ↗	Operating Profit ↑	<ul style="list-style-type: none">● Grow AIoT businesses● Reinforce the sales and marketing structure● Invest proactively in branding (FY24 to FY27: approximately double)
Smart Appliances & Solutions	↗	↑	<ul style="list-style-type: none">● Strengthen the focus on ASEAN, Americas, Middle East and Africa● Offer more value-added products and expand market share in Japan [Air Purifier] keep No.1 [the others] aim for the Top 3● Strengthen the Beauty, Healthcare, and B2B business
TV Systems	→	↑	<ul style="list-style-type: none">● Increase the top share in Japan● Expand the data business by utilizing MIF● Streamline production structure / Effective utilization of ODM
Energy Solutions	↑	↑	<ul style="list-style-type: none">● Strengthen residential business in Japan through collaboration on unique hardware and power solutions● Expand space-qualified solar cells business with satellite communication market growth● Strengthen EPC business for power storage and improve profitability in Asia

【 Initiatives Policy by Business Segment 】

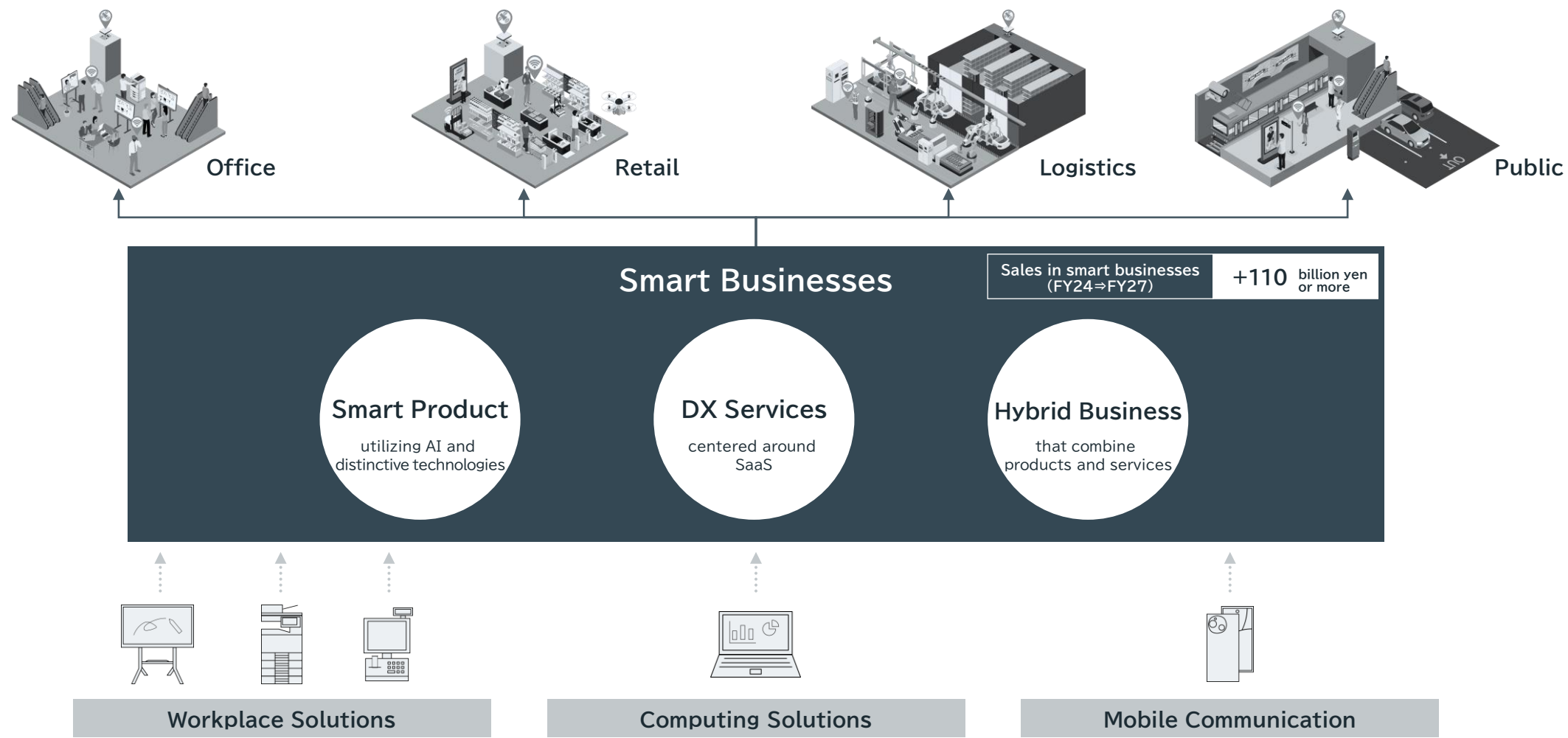
Smart Workplace Business Group



Empowering global collaboration through technology and networks.

Our Sincerity, Creating Tomorrow

Continuously enhance existing products and develop smart businesses that support DX of customer, primally in four industrial sectors



Increase market presence and accelerate transformation of the business model through enhancement of existing products and the development of smart businesses

Sales in smart businesses
(FY24⇒FY27)

+40 billion yen
or more

Existing Products		
		KPI(FY27)
MFP Global Share in A3 MFP 8.5%(FY24)	<ul style="list-style-type: none"> Expand the product lineup tailored to local characteristics Strengthen business in Asia by utilizing the newly established ABS※ 	Global Share in A3 MFP 10% or more
Laptop No.1 Market Share for Corporate Clients in Japan(FY24)	<ul style="list-style-type: none"> Ongoing introduction of new products that meet customer demands Stable sales and support system backed by an end-to-end sales system covering development, production, sales, and service 	Market Share for Corporate Clients in Japan keep No.1
Smartphone No.1 Android Market Share for Corporate Clients in Japan(FY24)	<ul style="list-style-type: none"> Strengthen B2B business in collaboration with telecom carriers while integrating attractive HWs developed through B2C business with new unique services 	Android Market Share for Corporate Clients in Japan keep No.1
Others	<ul style="list-style-type: none"> Expand the lineup of peripheral products such as PC monitor, interactive whiteboard, projector, and network device 	

+

Smart Businesses		
MPS (Managed Print Service)	<ul style="list-style-type: none"> Enhance MPS driven proposal capability in European/American market by expanding of A4 MFP models in addition to A3 MFPs, as well as reinforcing the device management platform 	
LCM (Life Cycle Management)	<ul style="list-style-type: none"> Expand the LCM service menu for PC and strengthen the sales structure Promote comprehensive office solutions covering related products such as MFPs and smartphones, centered on LCM service 	
eAssistant (AI-powered service)	<ul style="list-style-type: none"> Launch new DX solutions utilizing distinctive AI technology “CE-LLM” such as “eAssistant Minutes” :minutes recording solution 	
Revitalizing M&A activities		Cumulative Investment Amount over Three Years 20 billion yen
✓ Services ✓ Solution sales structure	✓ System development ✓ Sales channel etc.	

Provide a retail solution platform created by integrating the strengths of POS and mobile communication business

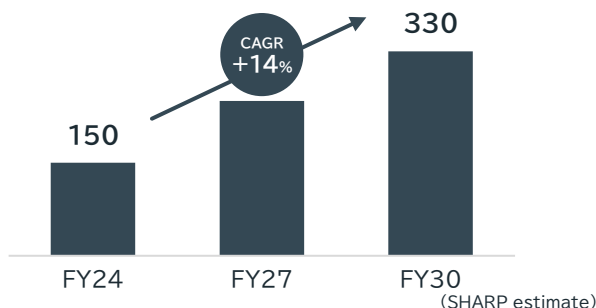
Opportunities



- In the retail solution market, **cloud-based system** has become prevalent among small and mid-sized enterprises. There is also a growing trend of large enterprises making a transition from their on-premises systems to cloud solutions **depending on their occasion**
- **DX of checkout systems** for purchase and payment processes is accelerating (including self-service, semi-self-service, mobile POS, and automated stores)
- Rapid proliferation of **Cashless transactions** (FY24:40%). Credit card payments account for approximately 80%

Retail Solution Market in Japan

(Billions of Yen)



Competitive Advantages

- **Business foundation and know-how in the retail market** developed through POS business
 - One-stop solutions for major customers, covering development, operation and maintenance support of POS systems
- **HW Development/Cloud Technology** developed through Mobile Communication business
 - Developing in-house general-purpose devices such as smartphones and tablets, as well as payment terminals
 - Capable to provide cloud-based remote monitoring services
- **Technologies related to mobile device** developed through handheld terminal business
 - Design and development capabilities specific to B2B, including high scanning performance, long battery life, lightweight, and durability



Sales in smart businesses
(FY24⇒FY27)

+10 billion yen
or more※

Key Initiatives

Development

- ✓ Expand DX devices by utilizing open source **mobile OS** in addition to the existing **embedded OS for IoT**
- ✓ Accelerate development of **cloud-based services**

Sales

- ✓ Offer **comprehensive packages** including POS, payment terminals, and handheld terminals
- ✓ Implement maintenance service system on a nationwide scale

Enhance consulting services that provide support from the initial stage for logistics warehouses and factories in need of automation. Expand the robotics business while maintaining a high standard of customer satisfaction



Competitive Advantages

- Accumulated unique knowledge to foster automation solution through the implementation of robotic systems in various manufacturing, e-commerce, and logistics sectors
- Developed a system that optimally controls over 1,000 automated guided vehicle using Quantum Annealing Technology
- Loyal customers steadily increase, reflecting the high customer satisfaction for mobile robots and robot storage: Net Promoter Score® ※1 50%(FY24)



Key Initiatives

Sales	<ul style="list-style-type: none">✓ Enhance DX consulting system to support DX in logistics warehouses and factories from the initial stage✓ Develop No.1 lineup of transport robots in Japan and expand sales to other companies in the same industry
Development	<ul style="list-style-type: none">✓ Advance both robot control technology(physical) and optimization calculation(cyber)✓ Enhance development of execution application for MES/WES※2

Sales in smart businesses (FY24⇒FY27) +10 billion yen or more

Enter the next generation communication sector by leveraging one of the world's smallest level of LEO satellite communication antenna and aim for the global niche top


Opportunities

- Communication network performance has been stabilized due to the increase of Low Earth Orbit(LEO) satellites
- Beyond 2027, the wider use of cellular-based 5G communication technology in satellite communication is expected to enable further high-speed/capacity communication
- LEO satellite market is expected to reach 1.3 trillion yen in the end of 2027(SHARP estimate)

Target Areas



Vessels



Construction and Agricultural Machinery



Automobiles



Drones

+

Emergency communication (BCP) solutions for disasters and other situations

Competitive Advantages

➢ Miniaturized the device to approximately one-ninth of the traditional models utilizing compact, lightweight technology developed through smartphone design



(SHARP research)

➢ Implemented hybrid communication of LEO satellite and cellular(5G)

➢ Succeeded in the world's first 5G connection via LEO satellite (5G NTN)

Key Initiatives

Sales

✓ Launch the 1st-gen model globally by the end of FY25

✓ Start commercializing the device from maritime sector through alliance with a marine electronics manufacturer and expand into construction machinery sector

Development

✓ Pursue miniaturization and weight reduction for installation into automobiles and drones

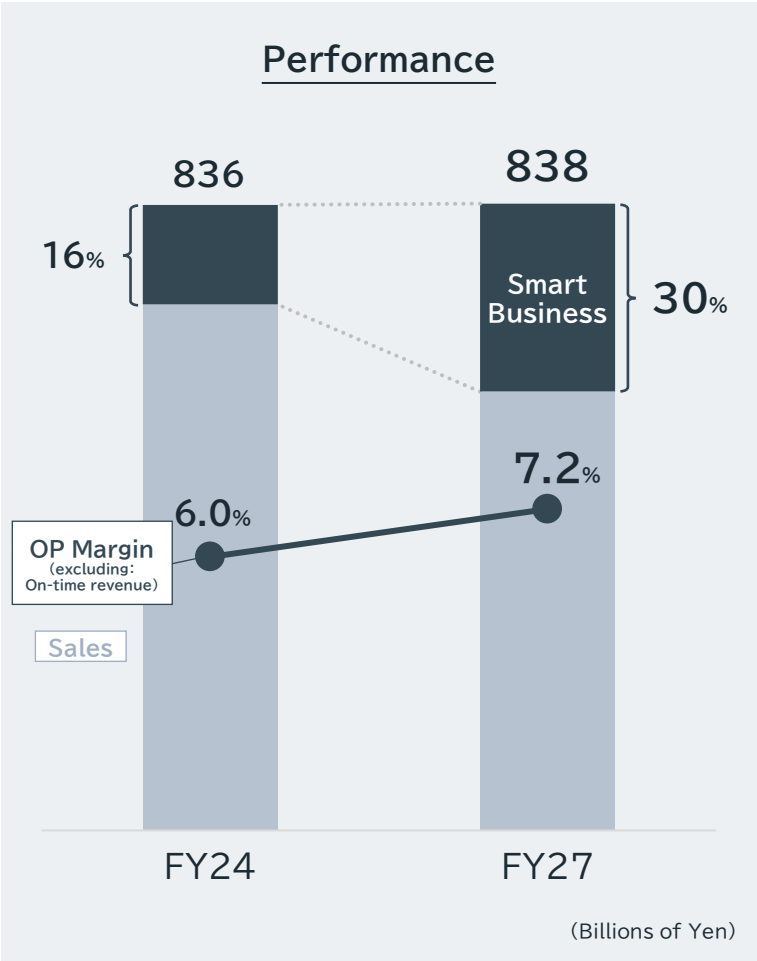
✓ Develop new solutions leveraging strength of the terminal

Sales in smart businesses (FY24⇒FY27)

+10 billion yen or more

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	Outlook (FY24⇒FY27)		Strategic Direction
Smart Workplace Business Group	Sales	Operating Profit※1	<ul style="list-style-type: none">Enhance smart businesses<ul style="list-style-type: none">①Smart products utilizing AI and distinctive technologies②DX services centered around SaaS③Hybrid Businesses that combine products and services
Workplace Solutions	↗	↗	<ul style="list-style-type: none">Enhance office solutionsExpand print services at convenience stores and public print servicesExpand the public signage business utilizing LFD, dvLED, and ePosterExpand the robotics business for supporting factory innovation
Computing Solutions	↘※2	↘※2	<ul style="list-style-type: none">Keep No.1 market share in B2B laptop segment in JapanEnhance solution businesses that utilize generative AI and LCMExpand AI implementation support services
Mobile Communication	↗	↑	<ul style="list-style-type: none">Enhance brand presence in smartphone business and launch new wearable devices (keep No.1 share in Android market for both B2C and B2B in Japan)Offer a dialogue solution PF utilizing generative AILaunch a satellite communication business utilizing Low Earth Orbit (LEO) satellite

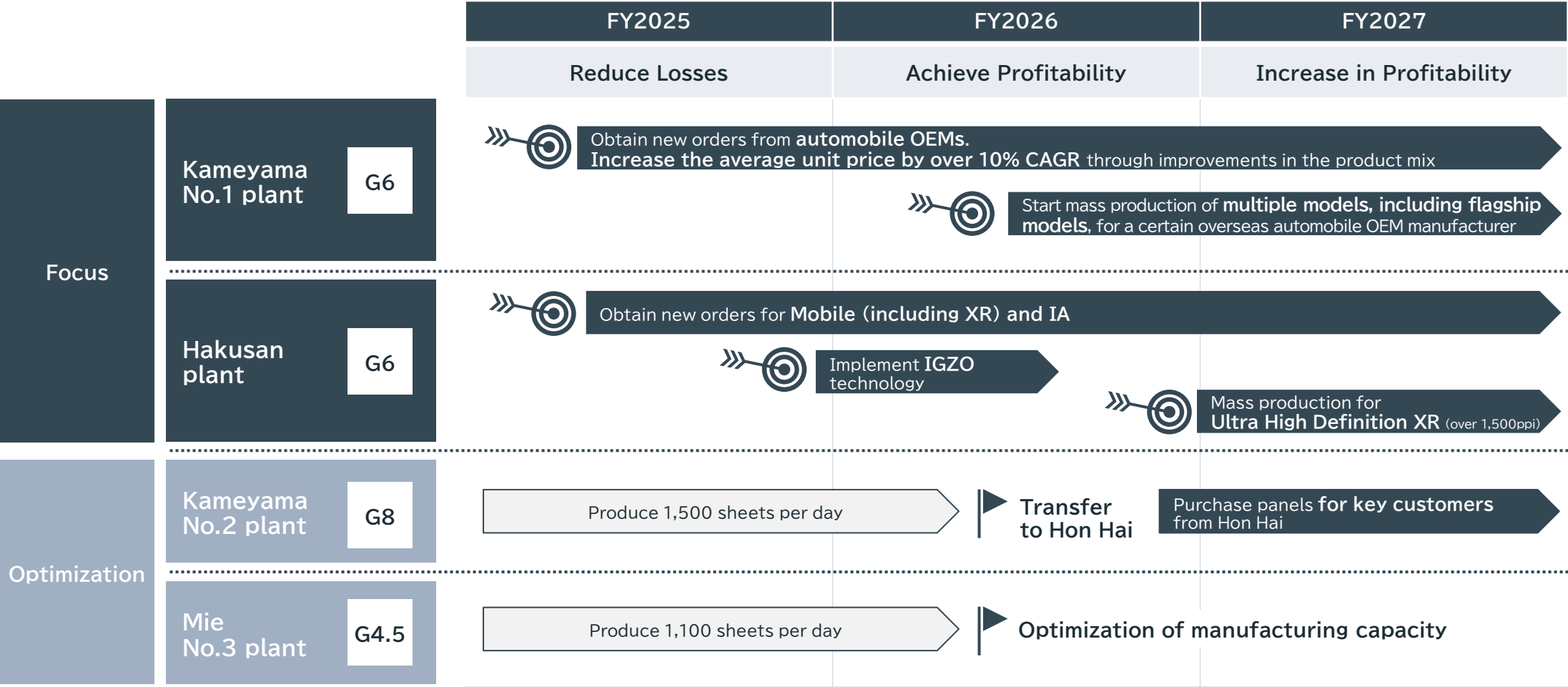
【 Initiatives Policy by Business Segment 】

Display Device Business



Our Sincerity, Creating Tomorrow

Focus on areas of competitive advantage such as **In-vehicle, Mobile and IA.**
Transfer highly volatile Kameyama No.2 plant to Hon Hai by August, 2026



Significantly expand the sales of high-value-added products by reinforcing design development system and assembly site in addition to enhancing technological advantages

Factory Utilization Policy / Market Environment of Focus Areas

Key Initiatives

KPI(FY27)

Kameyama No.1 plant

LTPS

Specializing in In-vehicle

responding to the growing demand
for In-vehicle LCD

In-vehicle Display Market

- Growing at a CAGR**7%**(FY24-27)
- LCD accounts for **90%** of the market(High Longevity /High Reliability)
- Increasing **need for supply chains restructuring** due to the rising geopolitical risks

- ✓ Accelerate **R&D of distinctive technologies** for In-vehicle LCD
 - Super Low Reflection/Dual View/Click Display, etc.
- ✓ Enhance production capability at the Vietnam assembly site to capture **demand out of supply chain restructuring**
 - Already obtained orders for multiple models from a certain overseas automobile OEM
- ✓ Reinforce the custom design system while shifting development and quality control staff to In-vehicle business

Over 13 inches Sales Ratio

FY24 FY27
30% ▶ **55%** or more

Allocation for a key customer※

45% or more

Hakusan plant

LTPS

IGZO

LTPO

Provide a wide range of high-value-added products

integrating distinctive technologies
(XR/In-vehicle/ePoster/IA, etc.)

XR Display Market

- Growing at a CAGR**25%**(FY24-27)
- Ultra-high-definition products **over 1,000ppi** are driving the growth

- ✓ **Implement IGZO** technology and evolve into a multi plant for IGZO/LTPS/LTPO
- ✓ Keep **outstanding share** in XR LCD market by mass production of LCD **over 1,500ppi**
- ✓ Increase in orders of high-value-added product such as ultra-low power consumption In-vehicle displays(for EVs) utilizing IGZO, and high-resolution ePoster

XR LCD Market Share

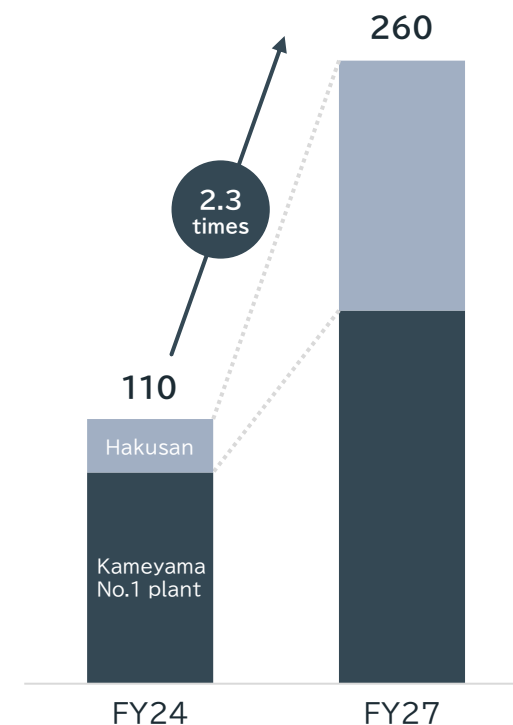
Keep **No.1**

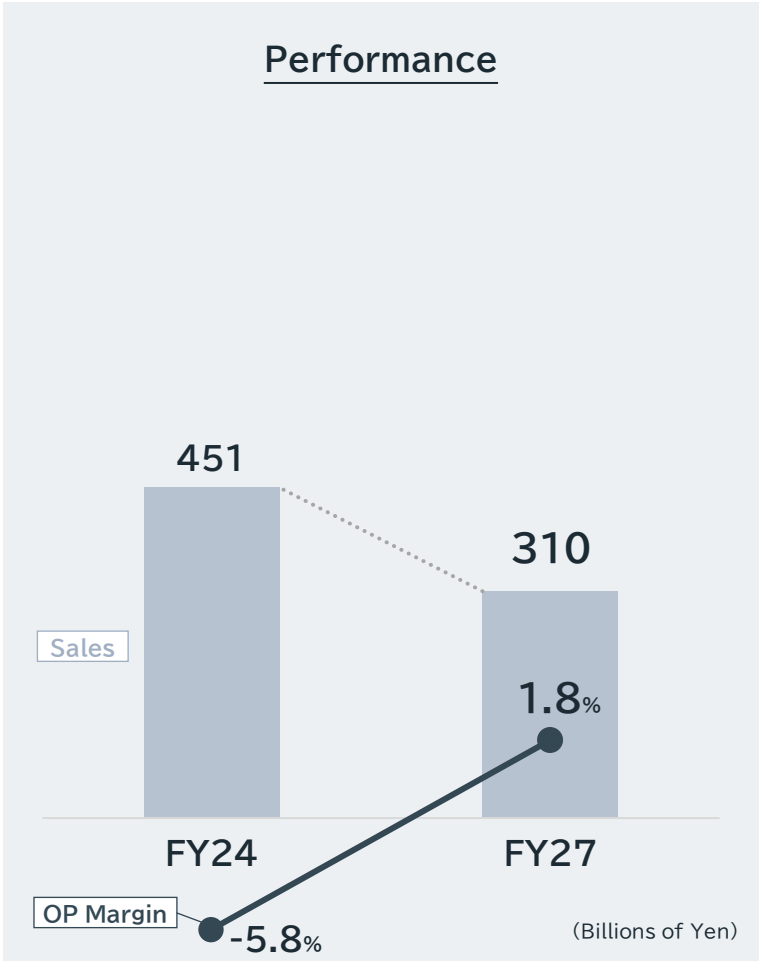
Allocation for high-value- added product

85% or more

Sales transition by plant

(Billions of Yen)





	Outlook (FY24⇒FY27)		Strategic Direction
	Sales	Operating Profit	
Display Device	↓	↑	<ul style="list-style-type: none">Create lean operation by “Focusing” on key categories and the optimization of panel production plants
In-Vehicle	↑	↑	<ul style="list-style-type: none">Convert Kameyama No.1 plant to “a dedicated factory for In-vehicle LCD”Expand sales to automobile OEMs primarily in Europe and America by leveraging distinctive technologies and the strategic location
Mobile IA	↑	↑	<ul style="list-style-type: none">Strategically shift new orders to the Hakusan plantEnhance market presence with ultra-high-definition technologies centered around IGZO
IT	↓	↑	<ul style="list-style-type: none">Transfer the Kameyama No.2 plant to Hon HaiContinue product development and sales of high-value-added displays to key customers using panels purchased from Hon Hai

Accelerate **New Innovation**, while **effectively utilizing Hon Hai's resources**,
in emerging and high-growth industries

FY2024
【Structural reform】

FY2025-2027
【Regrowth】

FY2028-
【Leap】

EV

Accelerate the commercialization of
LDK+ (EV as an extension of the home)

(Hon Hai)
EV design/production

AIoT products·
services

Energy Solution

AI Data Center Solutions

Considering new business expansion
leveraging **Hon Hai's capabilities**

(Hon Hai)
AI Server

Various customer
touchpoints

IT Solutions

Industrial DX & Robotics

Deploying **automation DX solutions**
for railway, construction and infrastructure inspection sites, etc.

High-Resolution Image
Measurement and Analysis

Communication/
Audio Visual
Technology

Physical AI

Space

Expand a wide variety of businesses by leveraging distinctive technologies,
including **space-qualified solar cells**

6G
Standardization

Next-Generation
Image Coding

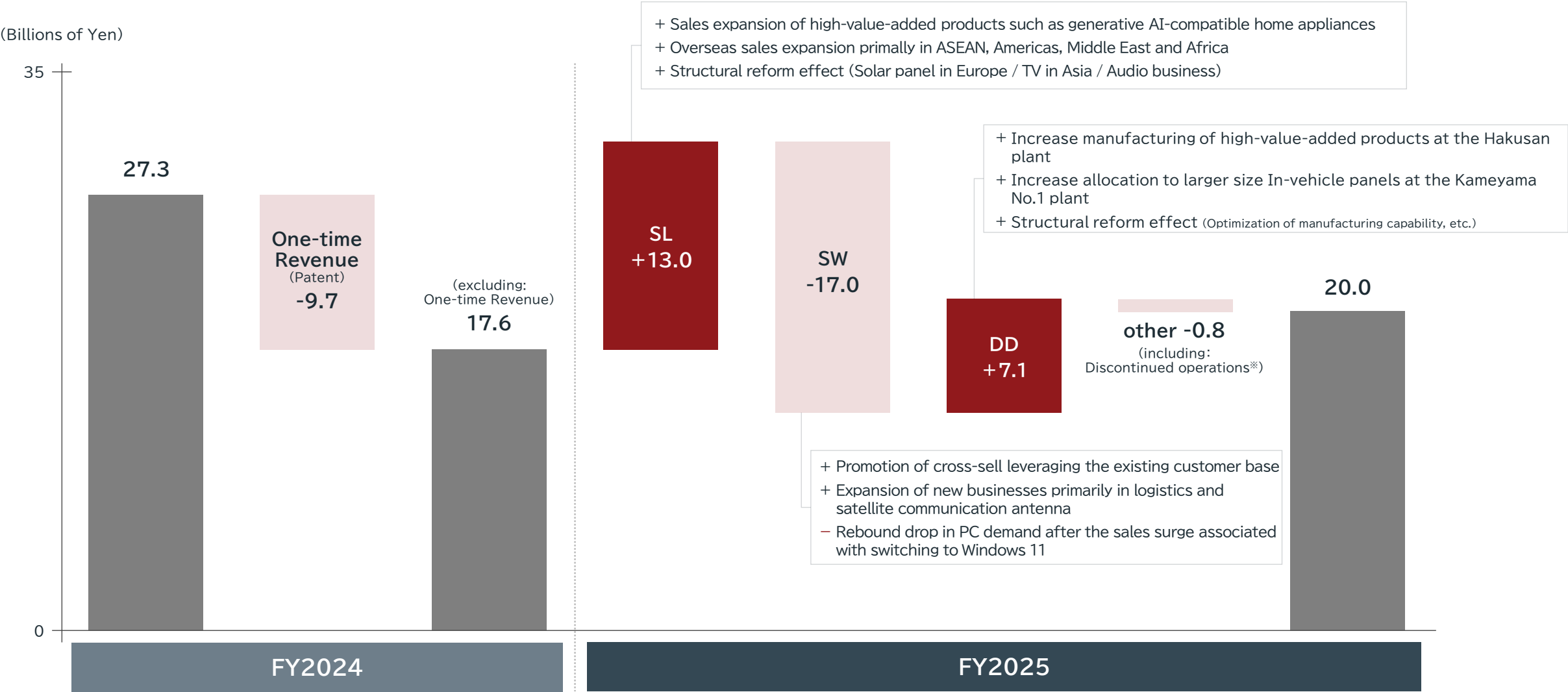
World's Highest
Conversion Efficiency
Solar Cells

Sharp's strengths to promote Next Innovation



FY2025 Full Year Forecast

(Billions of Yen)	FY2024	FY2025	
	Fiscal Year	Fiscal-Year Forecast	Y on Y
Net Sales	2,160.1	1,850.0	-14.4%
Operating Profit (margin)	27.3 (1.3%)	20.0 (1.1%)	-26.8%
Ordinary Profit (margin)	17.6 (0.8%)	5.0 (0.3%)	-71.7%
Bottom-line Profit (margin)	36.0 (1.7%)	10.0 (0.5%)	-72.3%
Avg. Exchange Rate			
USD/JPY	152.57	145.00	
Euro/JPY	163.73	160.00	



**With sincerity, we observe people's daily lives.
With creativity, we shape new experiences.**

- Our Sincerity, Creating Tomorrow -

SHARP