



May 12, 2025

Consolidated Financial Results for the Fiscal Year Ended March 31, 2025 (Under Japanese GAAP)

Company name: Sharp Corporation
 Listing: Tokyo Stock Exchange
 Securities code: 6753
 URL: <https://corporate.jp.sharp/> (English : <https://global.sharp/>)
 Representative: Masahiro Okitsu, President Chief Executive Officer
 Inquiries: Hiroyuki Murase, General Manager, Head of Accounting Division, Finance and Administration Office
 Telephone: +81-72-282-1221
 Scheduled date of annual general meeting of shareholders: June 27, 2025
 Scheduled date to commence dividend payments: -
 Scheduled date to file annual securities report: June 26, 2025
 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, 2025 (from April 1, 2024 to March 31, 2025)

(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, 2025	2,160,146	(7.0)	27,338	-	17,653	-	36,095	-
March 31, 2024	2,321,921	(8.9)	(20,343)	-	(7,084)	-	(149,980)	-

Note: Comprehensive income For the fiscal year ended March 31, 2025: ¥10,050 million [-%]
 For the fiscal year ended March 31, 2024: ¥(64,418) 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, 2025	55.59	-	24.4	1.2	1.3
March 31, 2024	(230.99)	-	(85.5)	(0.4)	(0.9)

Reference: Share of profit (loss) of entities accounted for using equity method
 For the fiscal year ended March 31, 2025: ¥7,910 million
 For the fiscal year ended March 31, 2024: ¥8,359 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, 2025	1,453,730	167,709	10.5	236.20
March 31, 2024	1,590,032	157,424	9.0	219.35

Reference: Equity
 As of March 31, 2025: ¥153,367 million
 As of March 31, 2024: ¥142,421 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, 2025	(1,590)	103,743	(74,768)	242,703
March 31, 2024	124,495	10,875	(149,668)	219,128

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, 2024	-	0.00	-	0.00	0.00	0	0.0	0.0
Fiscal year ended March 31, 2025	-	0.00	-	0.00	0.00	0	0.0	0.0
Fiscal year ending March 31, 2026 (Forecast)	-	-	-	-	-		-	

Note: At this time, the dividend per share for the fiscal year ending March 31, 2026 has not yet been determined.

3. Forecast of consolidated financial results for the fiscal year ending March 31, 2026 (from April 1, 2025 to March 31, 2026)

(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, 2026	1,850,000	(14.4)	20,000	(26.8)	5,000	(71.7)	10,000	(72.3)	15.40

* **Notes**

- (1) Significant changes in the scope of consolidation during the period: Yes
Newly included: 4 companies (APSIA SAS and three of its subsidiaries)
- (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, 2025	650,406,538 shares
As of March 31, 2024	650,406,538 shares

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

As of March 31, 2025	1,106,821 shares
As of March 31, 2024	1,105,236 shares

(iii) Average number of shares outstanding during the period

Fiscal year ended March 31, 2025	649,300,589 shares
Fiscal year ended March 31, 2024	649,281,586 shares

[Reference] Overview of non-consolidated financial results

1. Non-consolidated financial results for the fiscal year ended March 31, 2025 (from April 1, 2024 to March 31, 2025)

(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, 2025	539,722	2.4	4,392	-	1,718	-	(36,722)	-
March 31, 2024	527,291	(5.1)	(123,110)	-	(66,075)	-	(112,098)	-

	Basic earnings per share	Diluted earnings per share
Fiscal year ended	Yen	Yen
March 31, 2025	(56.56)	-
March 31, 2024	(172.65)	-

Note: Diluted earnings per share is not stated because it is a net loss per share, although there are potentially dilutive shares.

(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, 2025	892,004	(146,631)	(16.6)	(227.80)
March 31, 2024	1,051,052	(90,801)	(8.7)	(141.01)

Reference: Equity

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

As of March 31, 2024: ¥(91,557) 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 Monday, May 12, 2025. 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 2024 Financial Results

(1) Qualitative Information regarding Consolidated Financial Results

i. Financial results for fiscal 2024

The global economy showed a gradual recovery during the current fiscal year ended March 31, 2025, despite ongoing sluggish economic conditions in certain regions, including China, where the real estate market remained weak and prices declined. This gradual recovery was mainly driven by strong U.S. economic performance supported by strong labor demand and capital investment. However, toward the end of the fiscal year, even in the U.S., which had been leading the global recovery, inflation expectations increased due to the impact of trade policy developments, and accordingly, consumer sentiment weakened. The sign of slowdown in global economic recovery was observed as illustrated in some economic indicators.

The Group had posted operating losses for two consecutive fiscal years through the previous fiscal years due to delays in responding to market changes in Display Device. In both fiscal years, the Group had recorded substantial impairment losses related to this business, resulting in significant losses attributable to owners of parent.

The Group operates both a Device Business and a Brand Business, and we believe that there were structural issues behind the overall decline in performance. Specifically, the Device Business was unable to secure sufficient funding, resulting in underinvestment in technology and plants and stalled progress in growth areas. At the same time, we allocated funds generated in the Brand Business to the Device Business, which left the Brand Business side unable to invest in its own growth and created a negative cycle.

We recognized these structural issues and announced our Medium-Term Management Direction on May 14, 2024, positioning the fiscal 2024 as a year of structural reform. Under this direction, we aimed to return to profitability for owners of the parent while also focusing on building a business structure centered on the Brand Business by pursuing Asset Light Initiatives, mainly in the Device Business, to break the negative cycle.

As a result, we took various structural measures in the current fiscal year. In Display Device, the direct cause of our losses, we halted panel production at Sakai Display Products Corporation and sold assets related to LCD panel plants in the large-size display business. In the small- and medium-size display business, we adjusted production capacity at the Kameyama No. 2 Plant and Mie No. 3 Plant and closed the OLED line at the Sakai Plant. In Electronic Device, we signed a business transfer agreement with the Hon Hai Group for our camera module business and began discussions regarding a share transfer of Sharp Fukuyama Laser Co., Ltd. for the semiconductor business. The Group also signed the share transfer agreement for the semiconductor business on April 23, 2025.

Although net sales declined during the current fiscal year, operating profit, ordinary profit, and profit attributable to owners of the parent improved significantly and returned to profitability. This result was mainly due to our efforts to focus on strengthening Brand Business profitability and advancing Asset Light Initiatives in the Device Business, as well as to sell investment securities.

Net sales amounted to 2,160,146 million yen, down 7.0% year on year. This result was due to lower sales in the Device Business (Display Device and Electronic Device) offsetting sales growth in the Brand Business (Smart Life & Energy, Smart Office, and Universal Network).

Operating profit amounted to 27,338 million yen, compared with an operating loss of 20,343 million yen in the previous fiscal year. Smart Office recorded a significant increase in profit, driven by robust sales. Universal Network also saw a notable rise in profit, supported by higher sales and one-time income. In Display Device, structural reforms helped narrow losses significantly. On the other hand, profit declined in Smart Life & Energy due to yen depreciation and costs related to ceasing the energy solutions business in Europe. Profit also declined in Electronic Device due to significant fluctuations in customer demand.

Ordinary profit amounted to 17,653 million yen, compared with an ordinary loss of 7,084 million yen in the previous fiscal year. This improvement was driven by a significant improvement in operating profit, despite recording 12,612 million yen in foreign exchange losses as non-operating expenses.

Profit attributable to owners of the parent totaled 36,095 million yen, compared with a net loss of 149,980 million yen in the previous fiscal year. We recorded impairment losses of 54,381 million yen and business restructuring expenses of 29,686 million yen as extraordinary losses. However, the improvement in ordinary profit and the recording of extraordinary income, including 78,095 million yen in gains on sale of non-current assets, such as LCD panel plants, and 28,254 million yen in gains on sale of investment securities, resulted in a return to profitability for the first time in three fiscal years.

The sales performance of each business segment in fiscal 2024 was as follows. Segment sales include inter-segment sales and transfers.

< Brand Business >

1. Smart Life & Energy

Sales amounted to 461,351 million yen, up 2.0% year on year. Sales increased in the white goods business, mainly due to solid sales of refrigerators and washing machines in ASEAN, supported by progress in higher value-added models, and robust performance in kitchen appliances in Europe and North America. Sales decreased in the energy solutions business, partly due to the termination of operations in Europe.

2. Smart Office

Sales increased 16.9% year on year to 680,606 million yen. Sales in the PC business grew significantly due to strong performance of premium mobile models for enterprise customers amid a surge in replacement demand stemming from the end of Windows 10 support. Sales also increased in the business solutions business, driven by growth in office solutions and information display sales.

3. Universal Network

Sales in both the mobile communication and TV businesses increased. Sales increased by 8.5% year on year to 338,516 million yen, supported by strong sales growth in the mobile communication business and higher sales in the TV business.

< Device Business >

4. Display Device

Sales decreased 17.5% year on year to 507,139 million yen. Significant factors included the halting of production at Sakai Display Products Corporation, as well as lower sales of panels for smartphones and PCs/tablets. Sales increased for XR displays, as sales of automotive displays remained roughly flat year on year.

5. Electronic Device

Sales declined 49.6% year on year to 202,255 million yen, despite strong growth in semiconductor laser sales for automotive and processing applications, due to fluctuating customer demand for sensor modules.

ii. Analysis of financial position

Total assets as of the current fiscal year end amounted to 1,453,730 million yen, down 136,301 million yen compared to the end of the previous fiscal year. This result was mainly due to sales and impairment of non-current assets, and sales of investment securities. Total liabilities amounted to 1,286,021 million yen, down 146,586 million yen compared to the end of the previous fiscal year. This result was mainly due to the repayment of loans. Net assets amounted to 167,709 million yen, up 10,284 million yen compared to the end of the previous fiscal year, mainly thanks to profit attributable to owners of parent.

Net cash used in operating activities was 1,590 million yen, net cash provided by investing activities was 103,743 million yen, and net cash used in financing activities was 74,768 million yen. As a result, cash and cash equivalents as of the end of the current fiscal year amounted to 242,703 million yen, up 23,574 million yen compared to the previous fiscal year end.

(2) Future outlook

Although the global economy has shown a gradual recovery to date, certain recent indicators point to a potential slowdown. In addition, the future outlook remains uncertain as U.S. trade policies continue to influence price levels and interest rate trends in various countries. The situations in Ukraine and the Middle East also remain unstable, and geopolitical risks continue to weigh on the global outlook.

Meanwhile, the Group carried out Asset Light Initiatives in the Device Business and laid the groundwork for growth across multiple fields in the Brand Business during fiscal 2024. Based on this progress, we announced the Medium-Term Management Plan on May 12, 2025, covering the period from fiscal 2025 through fiscal 2027 as a stage for regrowth and a future leap.

The Medium-Term Management Plan outlines the Group commitment to become a company that creates new cultures through unique products and services. To this end, we will leverage our long-term strengths of sharp insight, distinctive technology, and speed to observe people's daily lives with sincerity and provide new experiences with creativity under the concepts of Living uniquely yours and Working collaboratively.

To achieve this goal, we will focus over the next three fiscal years on the following three initiatives to enhance our competitiveness and strengthen our financial foundation: 1. Accelerate global expansion and business transformation of Brand Business, 2. Establish a foundation for sustainable business growth, and 3. Reinforce management capabilities to drive the growth.

Under *1. Accelerate global expansion and business transformation of Brand Business*, we will reorganize the Brand Business into two business groups to focus and shift our business, while aiming to improve profitability and growth potential. We will also more than double the growth capital in the Brand Business to strengthen its competitiveness in existing businesses and accelerate the shift toward growth areas.

Under *2. Establish a foundation for sustainable business growth*, we will advance core technologies and explore future technologies through collaboration inside and outside the company, while taking on the challenge of creating innovations in various fields. We will also establish environments that support employee skill development and encourage employees to take on challenges to maximize the potential of each individual.

Under *3. Reinforce management capabilities to drive the growth*, we will improve management efficiency and drive business growth by clarifying the roles and responsibilities of Corporate and Business Groups. We will steadily execute these initiatives and build profits over the next three fiscal years, with a focus on the Brand Business. In this way, we will strengthen our financial foundation and pave the way for a return to the corporate bond market in the future.

The following outlines our current financial results forecast for the fiscal year ending March 2026.

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

	Year ended March 31, 2025	%	Year ending March 31, 2026 (Forecast)	%
Net Sales	2,160,146	(7.0)	1,850,000	(14.4)
Operating Profit	27,338	-	20,000	(26.8)
Ordinary Profit	17,653	-	5,000	(71.7)
Profit Attributable to Owners of Parent	36,095	-	10,000	(72.3)

Assumption of an exchange rate is set at USD1 to JPY145 for fiscal year ending March 2026.

*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

During the current fiscal year ended March 31, 2025, the Group halted production in the large-size display business (Sakai Display Products Corporation) and completed the sale of land, buildings, and other assets related to the LCD panel plant to SoftBank Corp. We have entered into transfer agreements for camera module business, as well as laser and semiconductor businesses with subsidiaries of Hon Hai Precision Industry Co., Ltd., our major shareholder.

Losses narrowed significantly in Display Device as a result of structural reform efforts in the Device Business, while the Brand Business generated steady profits. As a result, operating profit and profit attributable to owners of parent for the current fiscal year totaled 27,338 million yen and 36,095 million yen, respectively, exceeding the previously announced forecasts. As described in (2) Future outlook, we will reorganize the Brand Business into two business groups to focus and shift our business, while aiming to improve profitability and growth potential.

In terms of funding, Sharp continues to borrow from our main banks, Mizuho Bank, Ltd. and MUFG Bank, Ltd., as well as from other financial institutions. We have executed a syndicated loan agreement as our main loan agreement which provides for a principle loan period ending in April 2026. We also have a commitment line agreement with our two main banks that totals 200,000 million yen. Sharp continues to work closely with our primary financial institutions, striving to maintain good working relationships and dialogue to help them understand our businesses and financial plans. Accordingly, Sharp has determined that there are no significant concerns regarding fund raising for working capital or investment funds for the time being.

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, 2024	As of March 31, 2025
Assets		
Current assets		
Cash and deposits	227,130	279,307
Notes and accounts receivable - trade, and contract assets	407,538	379,787
Inventories	269,584	242,081
Other	90,998	84,495
Allowance for doubtful accounts	(5,024)	(5,854)
Total current assets	990,228	979,817
Non-current assets		
Property, plant and equipment		
Buildings and structures	623,523	590,183
Machinery, equipment and vehicles	1,164,709	1,002,312
Tools, furniture and fixtures	144,944	136,473
Land	69,641	57,760
Construction in progress	7,126	3,463
Other	68,580	50,110
Accumulated depreciation	(1,798,401)	(1,638,404)
Total property, plant and equipment	280,123	201,899
Intangible assets		
Software	20,988	17,801
Goodwill	5,422	7,264
Other	4,669	11,514
Total intangible assets	31,080	36,580
Investments and other assets		
Investment securities	238,581	185,710
Retirement benefit asset	5,363	4,729
Deferred tax assets	21,872	18,496
Other	24,268	28,398
Allowance for doubtful accounts	(1,485)	(1,902)
Total investments and other assets	288,599	235,433
Total non-current assets	599,803	473,913
Total assets	1,590,032	1,453,730

	As of March 31, 2024	As of March 31, 2025
Liabilities		
Current liabilities		
Notes and accounts payable - trade	318,159	278,869
Electronically recorded obligations - operating	37,094	10,881
Short-term borrowings	115,969	111,257
Lease liabilities	16,264	3,691
Accrued expenses	124,653	117,624
Provision for bonuses	17,423	19,481
Provision for product warranties	16,685	13,096
Provision for sales promotion expenses	2,830	2,560
Provision for restructuring	4,903	14,802
Other provisions	7,702	8,631
Other	194,669	176,026
Total current liabilities	856,357	756,923
Non-current liabilities		
Long-term borrowings	457,623	406,400
Deferred tax liabilities	20,345	13,813
Provision for product warranties	5,756	5,261
Provision for restructuring	6,286	3,758
Other provisions	2,991	2,689
Retirement benefit liability	52,911	45,604
Other	30,336	51,570
Total non-current liabilities	576,250	529,097
Total liabilities	1,432,607	1,286,021
Net assets		
Shareholders' equity		
Share capital	5,000	5,000
Capital surplus	148,594	148,983
Retained earnings	(90,178)	(54,082)
Treasury shares	(13,387)	(13,389)
Total shareholders' equity	50,028	86,511
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	40,396	20,818
Deferred gains or losses on hedges	508	(1,437)
Foreign currency translation adjustment	52,870	46,571
Remeasurements of defined benefit plans	(1,381)	902
Total accumulated other comprehensive income	92,393	66,855
Share acquisition rights	756	1,279
Non-controlling interests	14,246	13,062
Total net assets	157,424	167,709
Total liabilities and net assets	1,590,032	1,453,730

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

(Millions of yen)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Net sales	2,321,921	2,160,146
Cost of sales	1,974,032	1,754,437
Gross profit	347,888	405,708
Selling, general and administrative expenses	368,232	378,370
Operating profit (loss)	(20,343)	27,338
Non-operating income		
Interest income	4,556	5,090
Dividend income	1,865	1,387
Rental income from non-current assets	4,580	3,196
Foreign exchange gains	13,365	-
Share of profit of entities accounted for using equity method	8,359	7,910
Investment income	1,130	2,099
Other	6,225	8,057
Total non-operating income	40,084	27,741
Non-operating expenses		
Interest expenses	10,801	10,296
Foreign exchange losses	-	12,612
Inactive asset expenses	3,725	4,435
Other	12,297	10,082
Total non-operating expenses	26,825	37,426
Ordinary profit (loss)	(7,084)	17,653
Extraordinary income		
Gain on sale of non-current assets	3,622	78,095
Gain on sale of investment securities	113	28,254
Gain on sale of shares of subsidiaries and associates	818	-
Gain on liquidation of subsidiaries and associates	-	103
Gain on step acquisitions	1,312	717
Gain on change in equity	4,203	4,529
Gain on reversal of liabilities	4,863	4,474
Compensation income	-	6,723
Gain on reversal of share acquisition rights	1	216
Total extraordinary income	14,934	123,115
Extraordinary losses		
Loss on sale and retirement of non-current assets	1,370	1,652
Impairment losses	122,332	54,381
Loss on valuation of investment securities	2,885	1,411
Loss from cancellation of made-to-order production	4,718	-
Loss on sale of businesses	2,327	-
Business restructuring expenses	11,777	29,686
Total extraordinary losses	145,413	87,131
Profit (loss) before income taxes	(137,563)	53,637
Income taxes - current	14,552	15,376
Income taxes - deferred	(2,030)	2,493
Total income taxes	12,522	17,870
Profit (loss)	(150,085)	35,766
Loss attributable to non-controlling interests	(104)	(328)
Profit (loss) attributable to owners of parent	(149,980)	36,095

- Consolidated statements of comprehensive income

(Millions of yen)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Profit (loss)	(150,085)	35,766
Other comprehensive income		
Valuation difference on available-for-sale securities	13,911	(19,587)
Deferred gains or losses on hedges	35	(1,946)
Foreign currency translation adjustment	51,492	(5,085)
Remeasurements of defined benefit plans, net of tax	14,763	2,281
Share of other comprehensive income of entities accounted for using equity method	5,464	(1,378)
Total other comprehensive income	85,667	(25,715)
Comprehensive income	(64,418)	10,050
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(66,054)	10,556
Comprehensive income attributable to non-controlling interests	1,636	(506)

(3) Consolidated statements of changes in equity

Fiscal year ended March 31, 2024

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	5,000	148,929	59,802	(13,749)	199,982
Profit (loss) attributable to owners of parent			(149,980)		(149,980)
Change in ownership interest of parent due to transactions with non-controlling interests		(2)			(2)
Purchase of treasury shares				(1)	(1)
Disposal of treasury shares		(333)		363	29
Net changes in items other than shareholders' equity					
Total changes during period	-	(335)	(149,980)	361	(149,954)
Balance at end of period	5,000	148,594	(90,178)	(13,387)	50,028

	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	26,469	475	(2,266)	(16,211)	8,467	293	13,618	222,362
Profit (loss) attributable to owners of parent								(149,980)
Change in ownership interest of parent due to transactions with non-controlling interests								(2)
Purchase of treasury shares								(1)
Disposal of treasury shares								29
Net changes in items other than shareholders' equity	13,926	33	55,136	14,829	83,926	463	627	85,017
Total changes during period	13,926	33	55,136	14,829	83,926	463	627	(64,937)
Balance at end of period	40,396	508	52,870	(1,381)	92,393	756	14,246	157,424

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
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
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

(4) Consolidated statements of cash flows

(Millions of yen)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Cash flows from operating activities		
Profit (loss) before income taxes	(137,563)	53,637
Depreciation	66,215	48,459
Interest and dividend income	(6,422)	(6,477)
Interest expenses	10,801	10,296
Share of loss (profit) of entities accounted for using equity method	(8,359)	(7,910)
Investment expenses (income)	(1,130)	(2,099)
Loss (gain) on sale and retirement of non-current assets	(2,251)	(76,442)
Impairment losses	122,332	54,381
Loss (gain) on valuation of investment securities	2,885	1,411
Loss (gain) on sale of investment securities	(113)	(28,254)
Loss (gain) on sale of shares of subsidiaries and associates	(818)	-
Loss (gain) on liquidation of subsidiaries and associates	-	(103)
Loss (gain) on step acquisitions	(1,312)	(717)
Loss (gain) on change in equity	(4,203)	(4,529)
Gain on reversal of liabilities	(4,863)	(4,474)
Loss from cancellation of made-to-order production	4,718	-
Loss on sale of businesses	2,327	-
Compensation income	-	(6,723)
Gain on reversal of share acquisition rights	(1)	(216)
Business restructuring expenses	11,777	29,686
Decrease (increase) in accounts receivable - trade, and contract assets	56,822	25,122
Decrease (increase) in accounts receivable - other	(2,982)	252
Decrease (increase) in inventories	48,012	25,834
Increase (decrease) in trade payables	(40,572)	(61,634)
Other, net	24,802	(28,118)
Subtotal	140,102	21,379
Interest and dividends received	10,906	9,357
Interest paid	(8,661)	(8,746)
Income taxes refund (paid)	(10,052)	(19,288)
Payments for business restructuring	(4,210)	(12,201)
Settlement paid	(3,588)	-
Proceeds from insurance income	-	1,426
Proceeds from compensation	-	6,483
Net cash provided by (used in) operating activities	124,495	(1,590)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Cash flows from investing activities		
Payments into time deposits	(12,004)	(77,099)
Proceeds from withdrawal of time deposits	61,231	48,322
Purchase of property, plant and equipment	(40,874)	(26,798)
Proceeds from sale of property, plant and equipment	5,149	106,879
Purchase of intangible assets	(11,699)	(12,220)
Purchase of investment securities	(1,871)	(292)
Proceeds from sale of investment securities	113	44,346
Proceeds from refund of investment partnerships	9,090	21,516
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(166)	(4,806)
Other, net	1,908	3,895
Net cash provided by (used in) investing activities	10,875	103,743
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	7,439	4,871
Proceeds from long-term borrowings	11,203	-
Repayments of long-term borrowings	(157,207)	(60,567)
Repayments of finance lease liabilities	(10,065)	(18,574)
Other, net	(1,038)	(498)
Net cash provided by (used in) financing activities	(149,668)	(74,768)
Effect of exchange rate change on cash and cash equivalents	26,812	(3,809)
Net increase (decrease) in cash and cash equivalents	12,515	23,574
Cash and cash equivalents at beginning of period	206,612	219,128
Cash and cash equivalents at end of period	219,128	242,703

(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 makes company-wide efforts to expand business through the development of new products, new markets, and new businesses, and to build a stronger management structure. Moreover, we work toward building a business promotion system centered on brand businesses by accelerating the creation of new businesses and developing innovative technologies and devices to "Be a Game Changer." To achieve these goals, we concentrate on three brand businesses: Smart Life & Energy, Smart Office, and Universal Network, as well as on the two device businesses of Display Device and Electronic Device, as reportable segments.

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

Reportable segments	Major Products
Smart Life & Energy	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, solar cells, storage batteries, face masks, sensor modules, optical sensors, optical devices, CMOS image sensors
Smart Office	Digital MFPs (multi-function printers), information displays, commercial projectors, POS system equipment, options and consumables, office-related solutions services, software, PCs
Universal Network	Televisions, Blu-ray disc recorders, audio equipment, mobile phones, smartphones, tablet device, routers, automotive wireless devices
Display Device	Display modules, automotive cameras
Electronic Device	Camera modules, wafer foundries, laser diodes

Effective from the second quarter of the current fiscal year, Sharp Semiconductor Innovation Corporation, which was previously under the Electronic Device segment, is included in the Smart Life & Energy segment in accordance with the organizational change.

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 income (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, 2024

(in millions of yen)

	Smart Life & Energy	Smart Office	Universal Network	Display Device	Electronic Device	Total	Adjustments (Note) 1	Amounts recorded in consolidated financial statements (Note)2
Sales								
Revenues from external customers	450,264	580,047	311,485	595,293	384,829	2,321,921	-	2,321,921
Transactions with other segments	2,257	1,955	406	19,656	16,396	40,671	(40,671)	-
Total	452,522	582,003	311,891	614,950	401,225	2,362,593	(40,671)	2,321,921
Segment profit (loss)	27,775	29,674	8,880	(83,290)	13,181	(3,778)	(16,564)	(20,343)

Note: 1 Adjustments for segment profits or losses of (16,564) million yen include (0) million yen in elimination of inter-segment transactions and (17,163) 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.

2. Segment profits and losses are adjusted for operating losses in consolidated financial statements.

Fiscal year ended March 31, 2025

(in millions of yen)

	Smart Life & Energy	Smart Office	Universal Network	Display Device	Electronic Device	Total	Adjustments (Note) 1	Amounts recorded in consolidated financial statements (Note)2
Sales								
Revenues from external customers	459,966	679,736	338,295	495,273	186,875	2,160,146	-	2,160,146
Transactions with other segments	1,385	870	221	11,866	15,380	29,724	(29,724)	-
Total	461,351	680,606	338,516	507,139	202,255	2,189,870	(29,724)	2,160,146
Segment profit (loss)	20,343	42,627	18,682	(40,513)	5,754	46,893	(19,555)	27,338

Note: 1 Adjustments for segment profits or losses of (19,555) million yen include (18,463) 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.

2 Segment profits and losses are adjusted for operating income in the consolidated financial statements.

(Per Share Information)

(Yen)

	Fiscal Year Ended March 31, 2024	Fiscal Year Ended March 31, 2025
Net assets per share	219.35	236.20
Basic earnings (loss) per share	(230.99)	55.59
Diluted earnings per share	-	-
	Diluted earnings per share is not stated because it is a net loss per share, although there are potentially dilutive shares.	Diluted earnings per share is not stated because potentially dilutive shares exist without dilutive effect at the moment.

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

	Fiscal Year Ended March 31, 2024	Fiscal Year Ended March 31, 2025
Basic earnings (loss) per share		
Profit (loss) attributable to owners of parent (millions of yen)	(149,980)	36,095
Amounts not allocated to common shares (millions of yen)	-	-
Profit (loss) attributable to owners of parent (millions of yen)	(149,980)	36,095
Average number of common shares outstanding during each year (thousands of shares)	649,281	649,300
Residual securities which do not dilute earnings per share	712 share options resolved by the board of directors on April 19, 2017 (First Share Options) 381 share options resolved by the board of directors on September 26, 2017 (Second Share Options) 875 share options resolved by the board of directors on August 28, 2018 (Third Share Options) 54,540 share options resolved by the board of directors on August 4, 2023 (Fourth Share Options)	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)

(Significant Subsequent Events)

Transfer of Important Assets

Under the policy of asset-light initiatives, Sharp and its subsidiary, Sakai Display Products Corporation (hereinafter “SDP”), have transferred a part of the land and buildings at Sakai Plant to KDDI CORPORATION as of April 4, 2025. The transfer price is 10,000 million yen.

Transfer of Shares in Significant Subsidiaries, etc.

On April 23 2025, Sharp entered into an agreement to transfer entire shares of Sharp Fukuyama Laser Co., Ltd. (hereinafter “SFL”), a subsidiary of Sharp, to Hon Yuan International Investment Co., Ltd., a subsidiary of Hon Hai Precision Industry Co., Ltd. (hereinafter “Share Transfer”) upon transferring the rights and obligations related to certain laser business and semiconductor business that SFL operates to SFL through company split (absorption-type split). This Share Transfer is scheduled on September 29, 2025.

As a result of this Share Transfer, SFL and P.T. Sharp Semiconductor Indonesia, a subsidiary of SFL, will be excluded from the scope of consolidation of Sharp. The transfer price is 15,500 million yen. Gains or losses on the sale in the next fiscal year ending March 31, 2026 are expected to be minimal, as relevant losses were recognized in the current fiscal year.

Change in segment classification

As of the current fiscal year, we categorize the Group’s reportable segments into five segments: Smart Life & Energy, Smart Office, Universal Network, Display Device and Electronic Device. Effective from the next fiscal year, we will categorize reportable segments into three segments: Smart Life, Smart Workplace and Display Device.

This reorganization divides our strategic brand business 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 will continue to concentrate on high-value-added products for automotive, mobile, and industrial applications where we can maintain a competitive advantage.

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 is scheduled for transfer, and SDP, which has halted panel production, under Other and exclude them from the reportable segments.

We are currently calculating information related to sales and profit or loss for each reportable segment for the current fiscal year according to the reporting segment classification after the change.