

I Medium-Term Management Plan

Basic Approach

Sharp has been implementing structural reforms, including Asset Light Initiatives, to establish a business structure focused on the Brand Business. We have also worked to improve profitability through efforts such as reducing losses in the display business, while laying the groundwork for future growth. Building on this foundation, the Medium-Term Management Plan (FY2025–2027) focuses on three key initiatives to enhance competitiveness and strengthen our financial base:

1. Accelerate global expansion and business transformation of the Brand Business
2. Establish a foundation for sustainable business growth
3. Reinforce management capabilities to drive the growth

By steadily implementing these key initiatives Sharp strives to return to a growth trajectory, aiming to connect these efforts to future leaps.

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

FY2024
[Structural reform]

FY2025-2027
[Regrowth]

FY2028-
[Leap]

Enhancing competitiveness / Improving the financial foundation

1 Accelerate Global Expansion and Business Transformation of Brand Business

Focus and Shift

Proactive investment

2 Establish a Foundation for sustainable business growth

Accelerate the development of Core Technologies

Expand investment in People

3 Reinforce management capabilities to drive the growth

FY2027 Financial Targets

Sharp aims to build a corporate structure capable of generating stable profits across the entire company, targeting operating profit of 80 billion yen in FY2027.

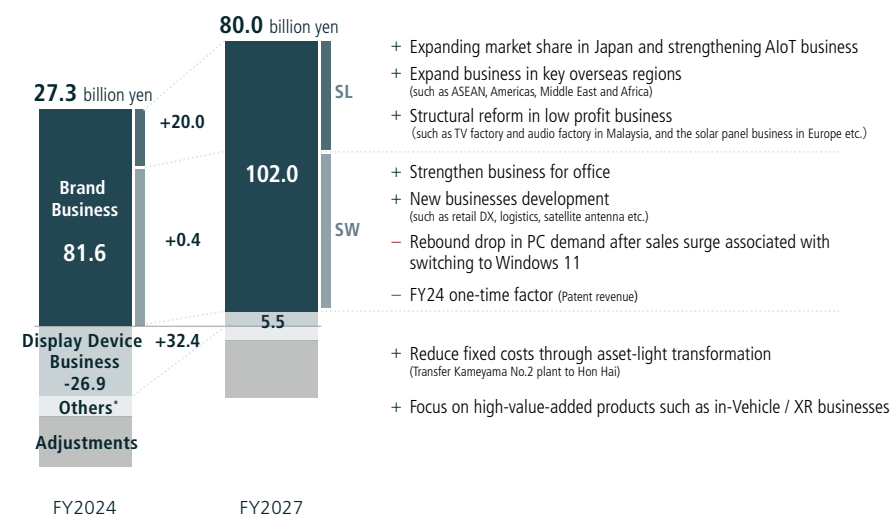
The Brand Business will take on the challenges of achieving an operating margin of 7.0% by strengthening competitiveness further.

The Display Device Business will work to significantly reduce fixed costs and concentrate on high value-added product, aiming to return to profitability.

FY2027 Financial KPI

[the entire company] Operating Profit	[Brand Business] Operating Profit Margin
80.0 billion yen	[Stretch target] 7.0% or higher

Major Improvement Items for Operating Profit



* Sakai Display Product, Camera module, Semiconductor

SL: Smart Life Business Group SW: Smart Workplace Business Group



Access the Medium-Term Management Plan from the link below.
https://global.sharp/corporate/ir/event/policy_meeting/

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Strategic Framework (Key Initiatives)

1. Accelerate Global Expansion and Business Transformation of the Brand Business

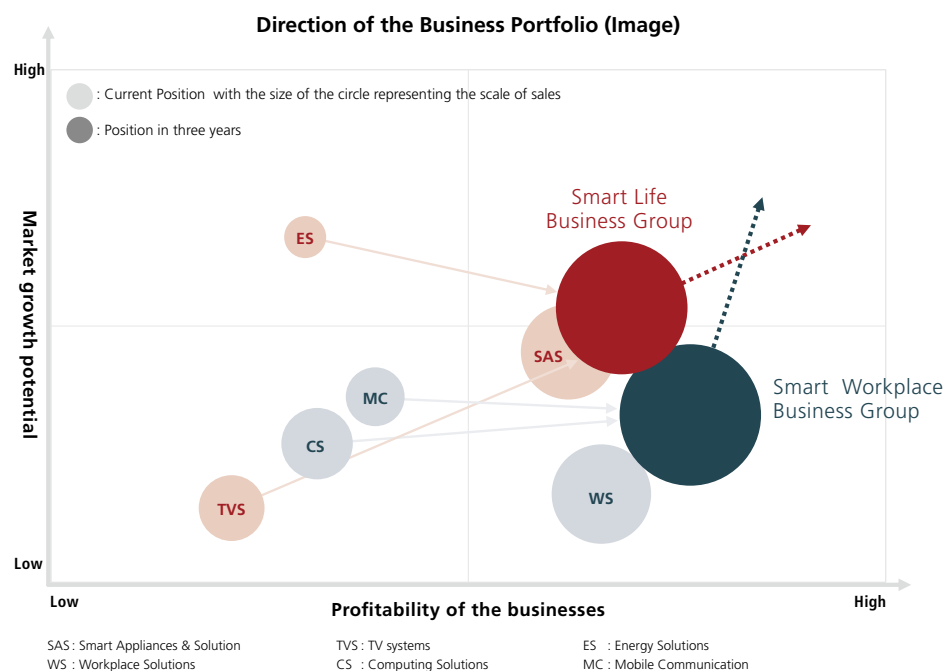
The current Medium-Term Management Plan positions the global expansion and business transformation of the Brand Business as a pillar of our strategic framework and Sharp will make proactive investments. In FY2025, Sharp reorganized the Brand Business into two business groups: Smart Life and Smart Workplace. Both groups will focus and shift businesses, working to enhance profitability and growth potential.

The Smart Life Business Group aims to create new value in the domain of *Living*. The group consists of businesses such as Smart Appliances & Solutions (represented by the white goods business), TV Systems, and Energy Solutions. This group aims to expand the SHARP brand globally by concentrating resources particularly in fields where it can demonstrate strong advantages, as well as by utilizing collaboration with other companies. Furthermore, the group will shift to a business model fully utilizing multifaceted data leveraging a diverse range of AIoT products.

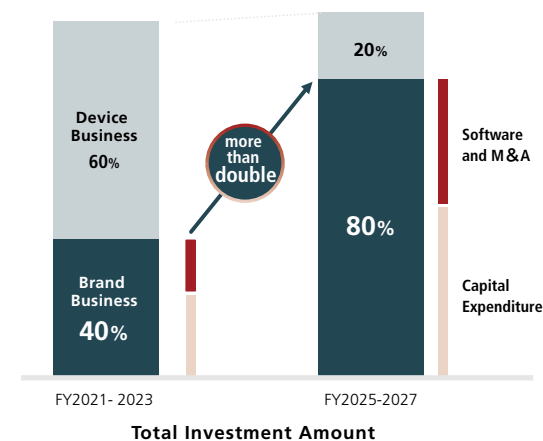
The Smart Workplace Business Group mainly consists of Workplace Solutions, Computing Solutions, and Mobile Communication, and aims to create new value in the domain of *Working*. Through strengthening DX services integrating IT and communication technologies, the group will accelerate its shift to a solution-

oriented business model. The group will also shift its business portfolio toward areas with higher growth potential by focusing on the establishment of new businesses.

To achieve these goals, Sharp will expand investment in the Brand Business under the current Medium-Term Management Plan. Investment in the Brand Business has been limited to date due to a large investment burden in the Device Business. However, our investment flexibility has been enhanced as the Asset Light Initiatives in the Device Business advance, and Sharp plans to allocate more than twice the previous level of growth funds to the Brand Business over the next three years. While strengthening the competitiveness of existing businesses, including enhancing production capacity in ASEAN and the Americas, Sharp will also actively pursue M&A opportunities in growth areas such as AI and IT solution businesses and robotics.



Investment Approach



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

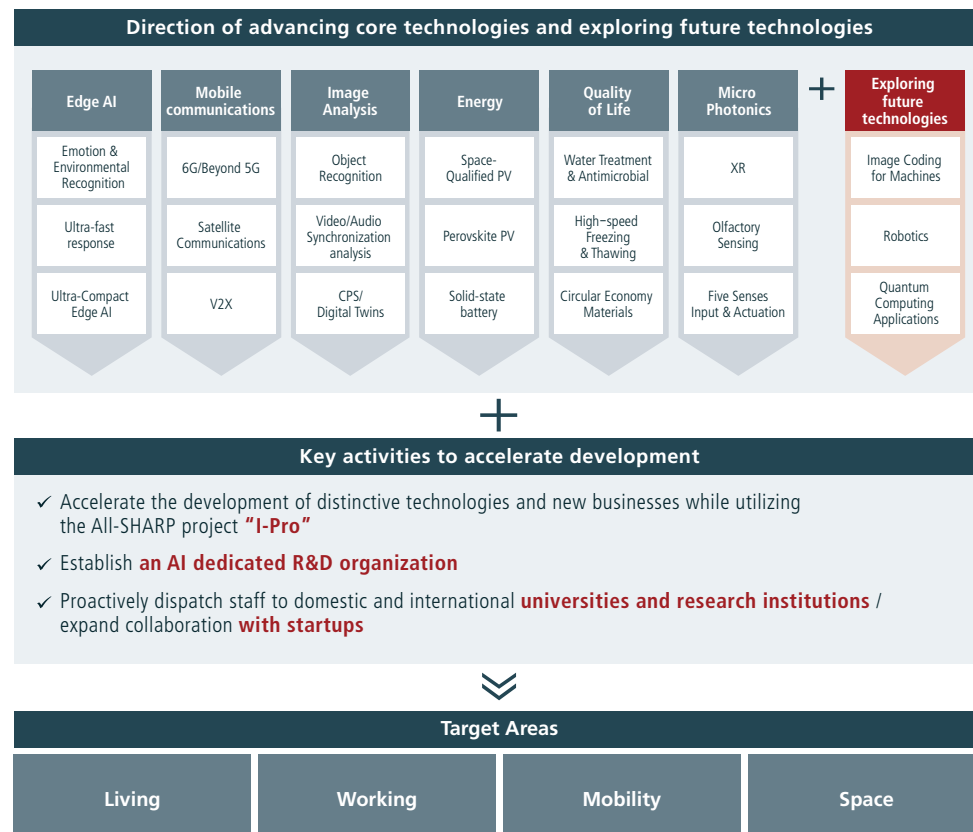
- ✓ Enhance production capacity to expand business in ASEAN and the Americas
- ✓ Develop perovskite and space-qualified solar cells
- ✓ Develop LEO satellite communication related technology

2. Establish a Foundation for Sustainable Business Growth — Accelerating the Development of Core Technologies

Sharp will focus on accelerating the development of core technologies that serve as sources of competitiveness for future leaps.

Under this initiative, we launched the Innovation Accelerate Project (I-Pro) in May 2024. I-Pro is a company-wide project, directly supervised by President, that evolved from the Sharp Taskforce, which produced numerous distinctive products such as the LCD ViewCam video camera and the Zaurus PDA.

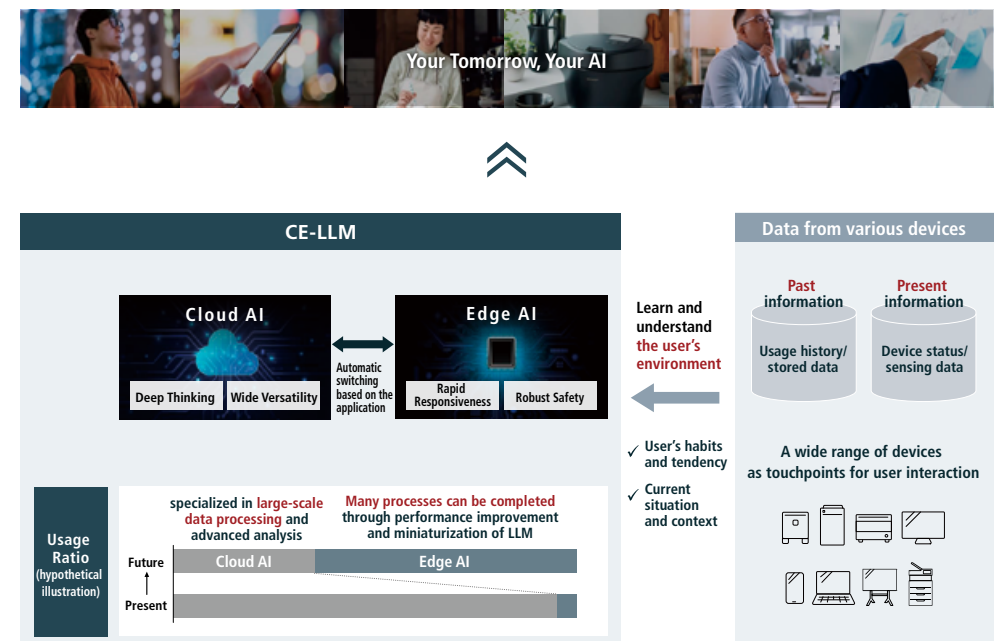
Sharp currently implements projects related to electric vehicles (EVs) and AI. By utilizing company-wide resources flexibly, we will accelerate the development of distinctive technologies and the creation of new businesses.



In the field of AI, we are strengthening our proprietary AI technology CE-LLM,* and plan to establish a new specialized organization for AI research and development. We will also actively pursue collaboration with universities, research institutes, and startups both in Japan and overseas.

Through these initiatives, Sharp will further deepen our unique technologies across various fields, including edge AI, telecommunications, image analysis, energy, quality of life, and micro photonics, while increasing the proportion of R&D focused on exploring technologies required for the future and creating new innovations.

* CE-LLM (Communication Edge-LLM) is Sharp's proprietary edge AI application technology that switches between edge AI and cloud AI according to the application. CE-LLM is a registered trademark of Sharp.



2. Establish a Foundation for Sustainable Business Growth — Expanding Investment in People

Sharp intends to strengthen our investment in people to maximize the potential of each employee, the driving force behind company growth. Specifically, we will focus on developing and acquiring human resources that support growth, including AI and digital talent and global talent, while also working to enhance organizational capabilities by enhancing the development of next-generation management leaders and training programs by job level.

Furthermore, we will advance initiatives to create an environment where diverse human resources can actively contribute. Such initiatives include increasing the ratio of female managers, expanding opportunities for senior employees, enhancing investment in workplace and IT environments, improving employee benefits, and implementing health management. Under our efforts to invest in people, Sharp also plans to relocate the company head office to Chuo Ward, Osaka City, a more convenient location, following the sale of the headquarters factory building that Sharp owns in Sakai City, Osaka.



*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	Strengthen global talent	Enhance organizational capability
<ul style="list-style-type: none"> 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) 	<ul style="list-style-type: none"> Expand global talent development program <ul style="list-style-type: none"> 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 	<ul style="list-style-type: none"> Strengthen the development of next-generation executive talent <ul style="list-style-type: none"> 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 <ul style="list-style-type: none"> Manager: Introduce a new training program Staff: Implement training in five levels (currently two levels)

Building an Environment that Enables Diverse Talent to Thrive

<ul style="list-style-type: none"> Increase the ratio of female managers Effective use of the experienced and skilled senior employees 	<ul style="list-style-type: none"> Expand investment for the work/IT environment Strengthen employee benefits and enhance health management 	<ul style="list-style-type: none"> To open new headquarters (Chuo Ward, Osaka City around March, 2026)
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3. Reinforce Management Capabilities to Drive the Growth

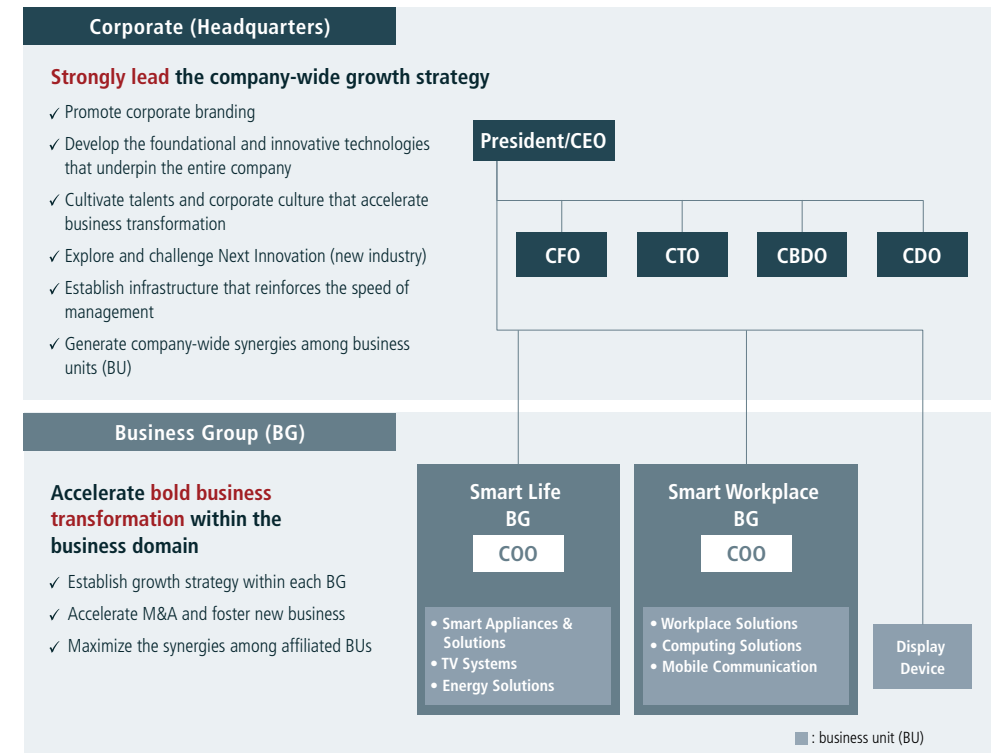
Sharp made a change to our organizational structure in April 2025, clarifying the roles and responsibilities between Corporate (Headquarters) and Business Groups. This change aims for speedier management and stronger business growth.

At the Corporate level, five executives, the CEO, CFO, CTO, and the newly established CBDO*¹ and CDO*², now take the lead in driving the company-wide growth strategy of Sharp as a strong headquarter.

Meanwhile, the Business Groups, led by two heads of each Business Group who serve as COOs, are responsible for developing growth strategies for each business domain, accelerating the creation of new businesses and M&A activities, and maximizing synergies among business units to further accelerate business transformation.

*1 CBDO: Chief Business Development Officer

*2 CDO: Chief Digital Officer





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■ Initiatives Policy by Business Segment

Brand Business Smart Life Business Group

Strategic Framework

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

In the Smart Life Business Group, the Smart Appliances & Solutions, TV Systems, Energy Solutions, and Sensor Devices businesses collaborate to develop original products that offer new experiences, while deploying unique services that align with each person.

In addition, we aim to deliver unique value to customers around the world and promote the SHARP brand globally.

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



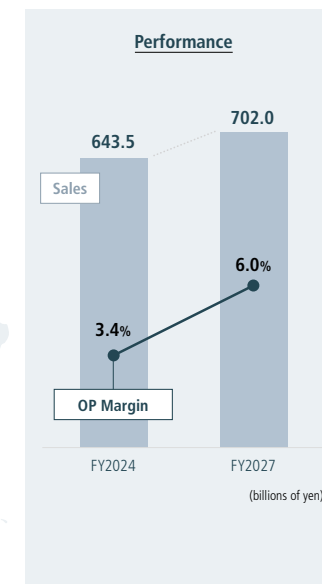
Sensor Devices



Performance Targets

In FY2024, the Smart Life Business Group recorded 643.5 billion yen in sales and an operating profit margin of 3.4%. We aim for 702.0 billion yen in sales and a 6.0% operating profit margin in FY2027 through AIoT business expansion, strengthened marketing and sales structures, and proactive brand investment.

Smart Appliances & Solutions will strengthen business in the priority areas of ASEAN, the Americas, and the Middle East and Africa, pursue higher added value and market share expansion in domestic businesses including AIoT, and advance the expansion of the beauty and healthcare and B2B businesses. TV Systems will strive to maintain top domestic brand positioning and leverage ODM to strengthen competitiveness in overseas markets. Energy Solutions will strengthen the residential business in Japan, capture demand for storage batteries, as well as work to expand the space-qualified solar cells business.



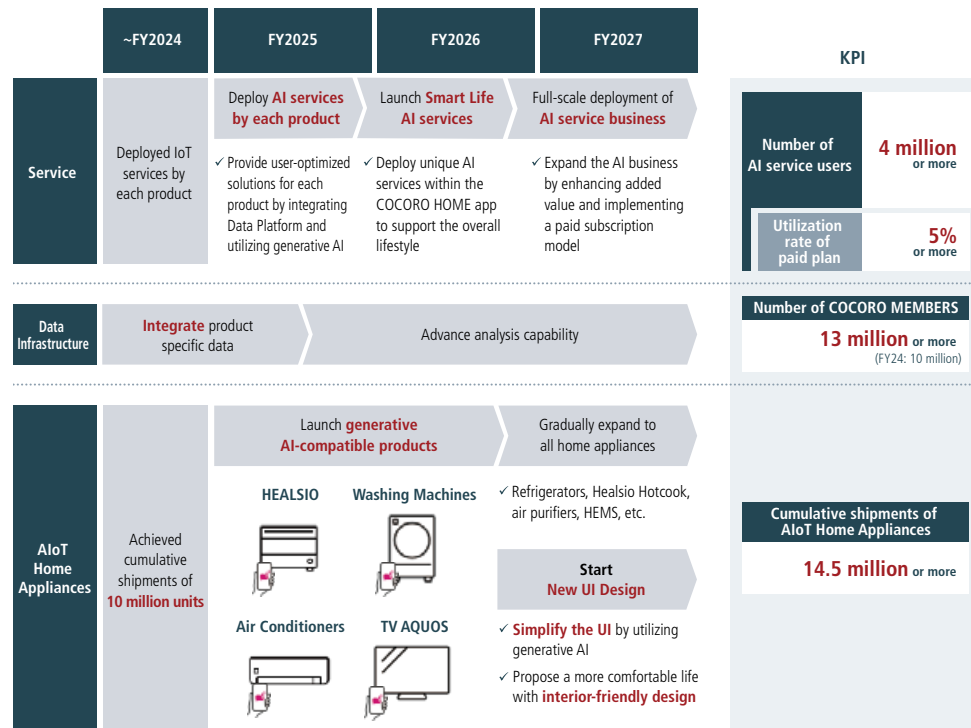
	Outlook (FY24→FY27)		Strategic Direction
	Sales	Operating Profit	
Smart Life Business Group	↑	↑	<ul style="list-style-type: none"> Grow AIoT businesses Reinforce the sales and marketing structure Invest proactively in branding (FY24 to FY27: approximately double)
Smart Appliances & Solutions	↑	↑	<ul 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"> Maintain top brand positioning 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

AIoT Business

The AIoT business is the most important business in the Smart Life Business Group.

Sharp was the first domestic company to launch sales of AIoT home appliances. To date, we have shipped over 10 million AIoT home appliances, while working to expand functions and services that enhance product usability. We began introducing products compatible with generative AI in FY2025. Looking ahead, we aim to significantly change product design and form, including simplifying the user interface through the use of generative AI.

At the same time, we integrate customer data obtained from AIoT home appliances that had previously been separated by product category. Leveraging this integrated data as a strength, we aim to launch new AI services and expand both products and services in the AIoT business.

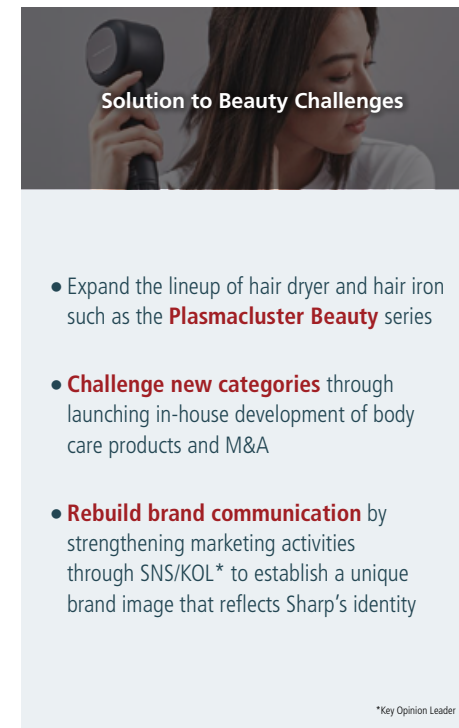


Strengthening the Beauty and Healthcare Business

In this business, we will focus on addressing issues related to beauty and health.

In the beauty field, we focus on the Plasmacluster Beauty series, which applies Sharp's proprietary Plasmacluster technology. We will expand the product lineup in hair dryers and hair irons and also roll out new categories such as body care products. Together with these efforts, we establish a unique brand image that reflects Sharp's identity.

In the healthcare field, we will actively pursue new businesses, such as i-wellebe, a health management solution utilizing contactless sensing technology, and bitescan, a chewing monitor. We intend to propose unique solutions to various social issues in the healthcare field.



Expansion of Overseas Business

We are accelerating the expansion of our overseas business, positioning ASEAN, the Americas, and the Middle East and Africa as priority areas.

In ASEAN, a core area where high economic growth is expected, we will continue working to enhance the added value of our business. We will also strengthen competitiveness in the TV business by improving supply chain efficiency, including through the utilization of ODM. Furthermore, Sharp will expand investment in marketing and branding. Through these initiatives, we aim to achieve higher sales growth and improved profitability.

In the Americas, we hold a solid market position in microwave drawers. We will build on this strength to enter major categories of kitchen appliances and enhance product competitiveness. In the TV business, we aim to develop sales channels through collaboration with other companies.

In the Middle East and Africa, Sharp will reinforce our strategic partnership with El Araby (Egypt) in both production and sales, working to establish a solid business foundation for the future.

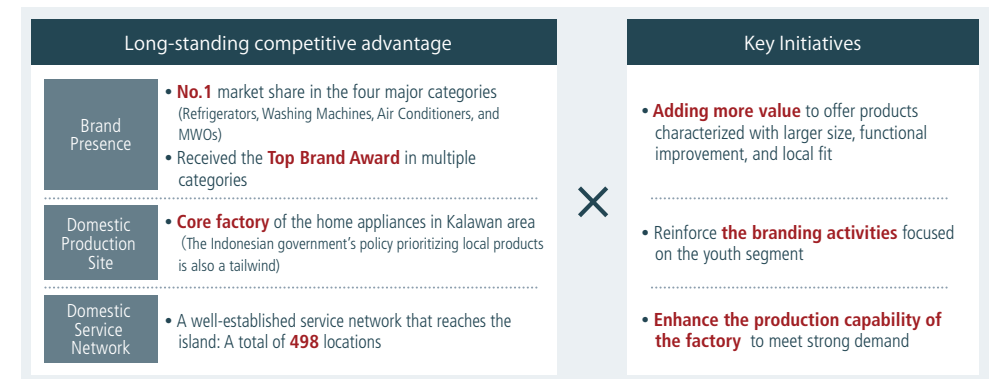
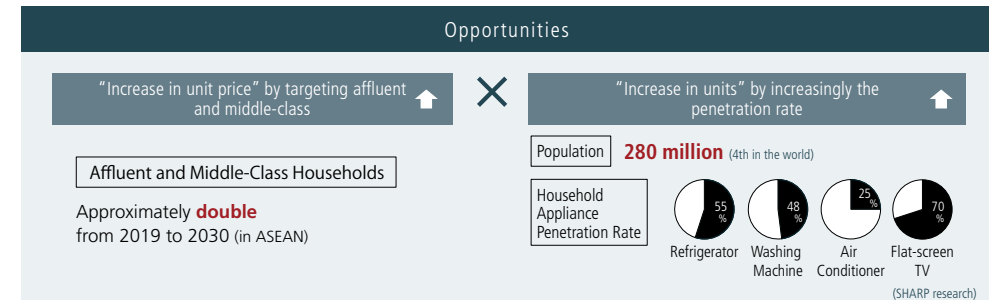
	Key Initiatives	KPI									
Core Area	ASEAN	<p>Sales CAGR (FY24 → FY27) +8% or more</p> <p>High-value-added products sales ratio</p> <table> <tr> <td></td><td>FY24</td><td>FY27</td></tr> <tr> <td>[ALL-ASEAN] TV (Large model)</td><td>29%</td><td>34%</td></tr> <tr> <td>[Indonesia] Air conditioner (Inverter 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%
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Growth Area	Americas	<p>Sales CAGR (FY24 → FY27) +15% or more</p>									
	Middle East and Africa	<p>Sales CAGR (FY24 → FY27) +10% or more</p>									

Expansion of Overseas Business - Indonesia

Sharp has been operating in Indonesia for more than 50 years and holds the No.1 market share in four major product categories: refrigerators, washing machines, air conditioners, and microwave ovens. We also established a strong brand presence, receiving the Top Brand Award in multiple categories. In addition, our local production and service systems, which we have built and refined over many years, have become major competitive advantages.

We will build on these strengths to add more value to our products through larger sizes, functional improvements, and local fit, while reinforcing branding activities focused on the younger generation. We aim to steadily capture market growth and expand business further by continuously enhancing the production capability of our factory to meet strong demand.

Furthermore, Sharp intends to roll out initiatives developed in Indonesia to other ASEAN countries.

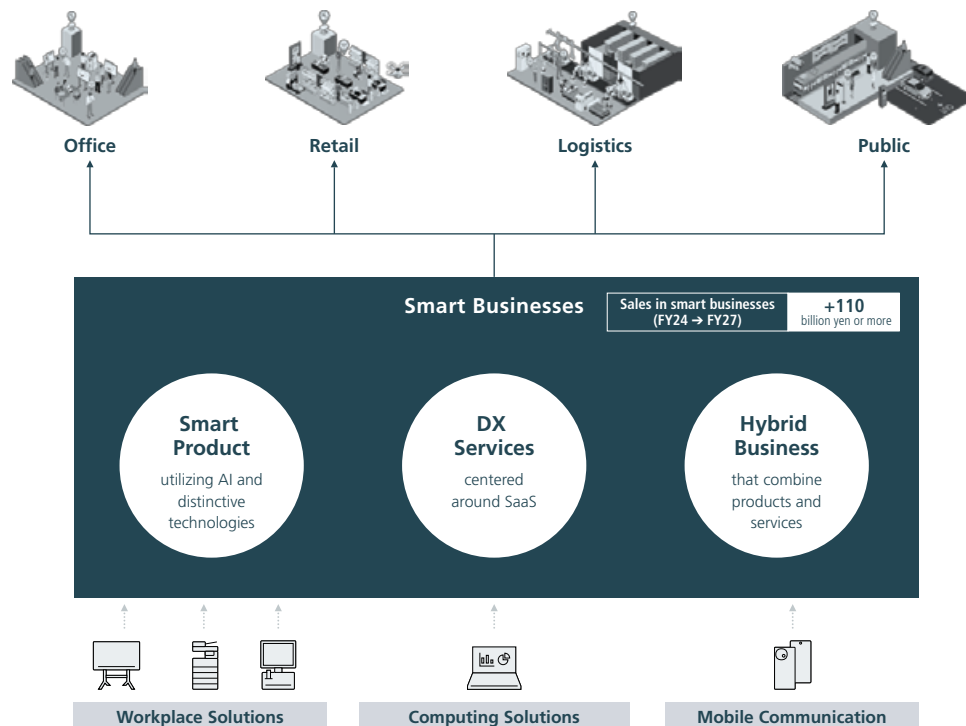


Brand Business Smart Workplace Business Group

Strategic Framework

Empowering global collaboration through technology and networks.

In the Smart Workplace Business Group, the Workplace Solutions, Computing Solutions, and Mobile Communication businesses collaborate to continuously enhance existing products while developing smart businesses that support the digital transformation (DX) of our customers.



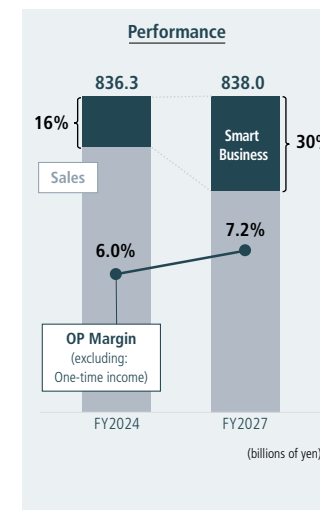
Performance Targets

In FY2024, the Smart Workplace Business Group recorded 836.3 billion yen in sales and an operating profit margin of 6.0% (excluding one-time income). The group aims for 838.0 billion yen in sales and an operating profit margin of 7.2% in FY2027 through focused efforts in the smart businesses to strengthen smart products, DX services, and hybrid businesses.

Workplace Solutions strives to strengthen office solutions and expand convenience store print services, signage solutions, and robotics businesses.

Computing Solutions strives to maintain the No.1 market share in Japan for B2B laptops and strengthen the generative AI and LCM* solutions businesses. Mobile Communication will enhance brand strength in the smartphone business, introduce new wearable products, and work to establish a satellite communication business utilizing low earth orbit (LEO) satellite communication antenna.

* Life Cycle Management: A comprehensive service covering all processes from PC selection, procurement, installation, deployment, operation, maintenance, and removal to renewal.



	Outlook (FY24→FY27)		Strategic Direction
	Sales	Operating Profit	
Smart Workplace Business Group	→	↗	<ul style="list-style-type: none"> Enhance smart businesses <ul style="list-style-type: none"> (1) Smart products utilizing AI and distinctive technologies (2) DX services centered around SaaS (3) Hybrid Businesses that combine products and services
Workplace Solutions	↗	↗	<ul style="list-style-type: none"> Enhance office solutions Expand print services at convenience stores and public print services Expand the public signage business utilizing LFD, dvLED, and ePoster Expand the robotics business for supporting factory innovation
Computing Solutions	↘	↘	<ul style="list-style-type: none"> Keep No.1 market share in B2B laptop segment in Japan Enhance solution businesses that utilize generative AI and LCM Expand 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 AI Launch a satellite communication business utilizing Low Earth Orbit (LEO) satellite

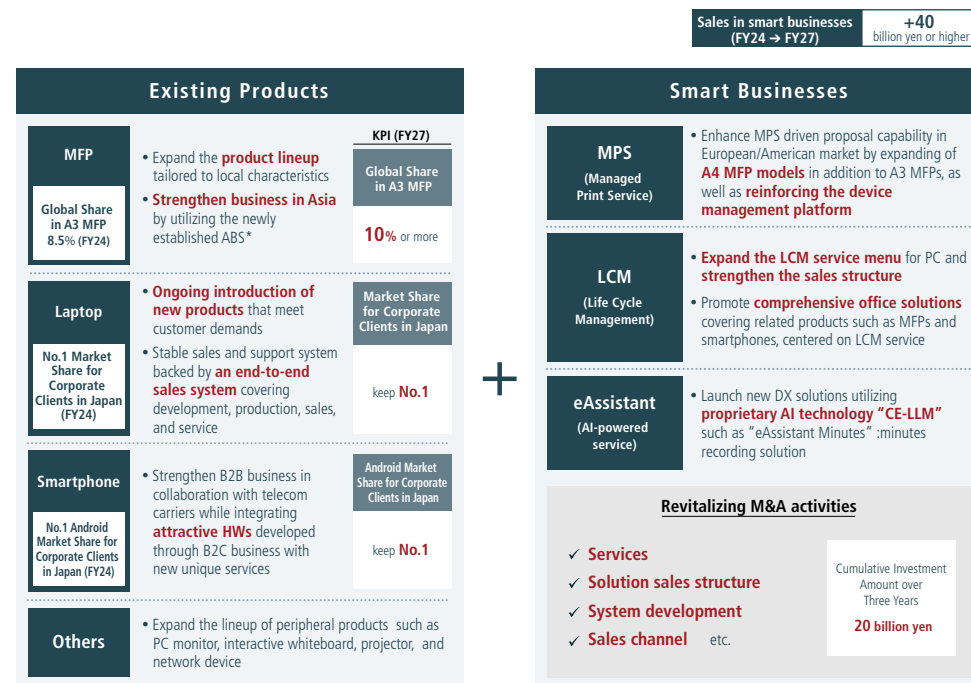
*1 excluding one-time income in FY24 *2 Rebound drop in PC demand after the sales surge associated with switching to Windows 11

Expansion of Business for Office

The office solutions business is the core business of the Smart Workplace Business Group. The group will maintain and increase market presence and accelerate transformation of the business model through enhancement of existing products and the development of smart businesses.

Sharp offers a wide range of office-related products, including MFPs, laptops, and smartphones, each with a strong customer and business foundation. Leveraging these strengths, we will continue to enhance product competitiveness, expand product lineup, and strengthen sales and service capabilities.

Furthermore, we will expand and strengthen our smart businesses through various initiatives, including the enhancement of Managed Print Service (MPS) in the European and American markets, comprehensive office proposals centered on LCM for PCs, and the development of DX solutions utilizing Sharp's proprietary AI technology CE-LLM, such as the meeting minutes support solution eAssistant Minutes. We will also pursue business expansion through active use of M&A targeting IT service companies and other organizations to expand sales channels, sales force, and services.



* Asia Business Solution Center

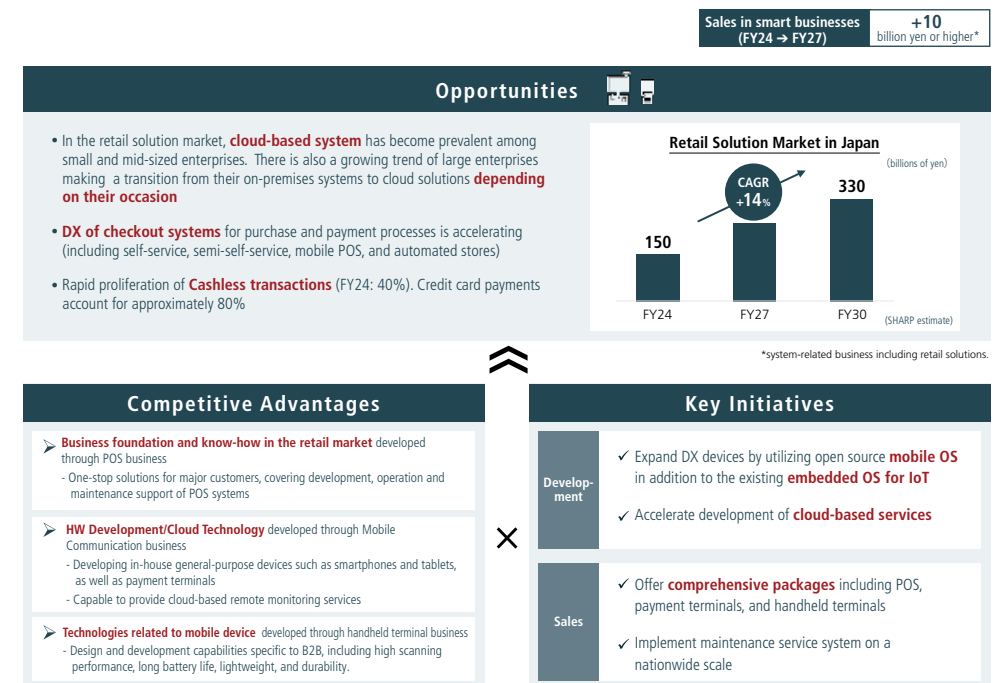
Development of New Smart Businesses

1. DX Services for Retail Sector

The retail industry in Japan is undergoing significant change and expansion with the advancement of cloud adoption, DX in checkout systems such as self-checkouts, and the proliferation of cashless payments.

In this environment, we will accelerate the development of DX devices and cloud-based services utilizing mobile OS by integrating the expertise and technologies cultivated through our POS, mobile communications, and handheld terminal businesses.

Building on these efforts, we will work to expand business further by building a unique retail solution platform that provides comprehensive packages including POS, payment terminals, and handheld terminals. To support AI and DX initiatives for customers facing serious labor shortages, Sharp will roll out various solutions, including cashless solutions and eAssistant Concierge, an AI dialogue services for hotels and other lodging facilities.



Development of New Smart Businesses

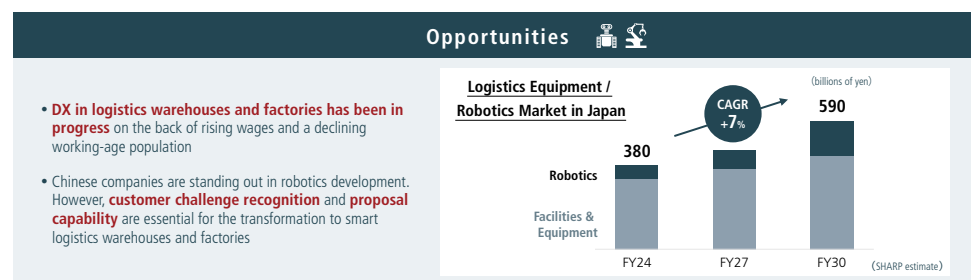
2. Logistics Sector

DX has been advancing in the logistics industry on the back of rising wages and a declining working-age population.

In this environment, Sharp will strengthen consulting services to accompany customers from the initial stages of projects to meet automation needs in logistics warehouses and factories by leveraging our accumulated expertise in automation solutions, as well as our expertise in developing proprietary systems that optimally control over 1,000 automated guided vehicles.

Specifically, we will enhance consulting services using factory expertise, develop the No.1 lineup of transport robots in Japan, and address on-site challenges using robot control and image analysis technologies.

Sales in smart businesses
(FY24 → FY27) **+10**
billion yen or higher



Competitive Advantages
<ul style="list-style-type: none"> 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
<p>Sales</p> <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 <p>Development</p> <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

*1 a type of customer loyalty indicators *2 MES: Manufacturing Execution System WES: Warehouse Execution System

Development of New Smart Businesses

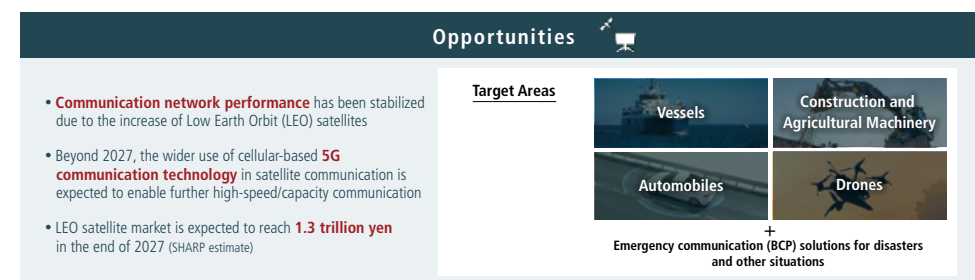
3. Satellite Communication Sector

With the increase in the number of LEO satellites and the advancement of communication technologies, the use of LEO satellite communication is expected to expand rapidly in the coming years.

In response to this business opportunity, Sharp is developing one of the world's smallest level of LEO satellite communication antenna, approximately one-ninth the size of traditional models, by leveraging the compact and lightweight technologies we have cultivated through smartphone design. Building on this strength, we intend to enter the next-generation communication sector. We aim to launch the first-generation model globally by the end of FY2025 and expand primarily in the maritime sector.

Furthermore, we will strengthen development with an eye toward installation in not only construction and agricultural machinery, but also automobiles and drones, while also working to create unique solutions that take advantage of our strength in devices.

Sales in smart businesses
(FY24 → FY27) **+10**
billion yen or higher



Competitive Advantages
<ul style="list-style-type: none"> 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
<p>Sales</p> <ul style="list-style-type: none"> 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 <p>Development</p> <ul style="list-style-type: none"> Pursue miniaturization and weight reduction for installation into automobiles and drones Develop new solutions leveraging strength of the terminal

Display Device Business

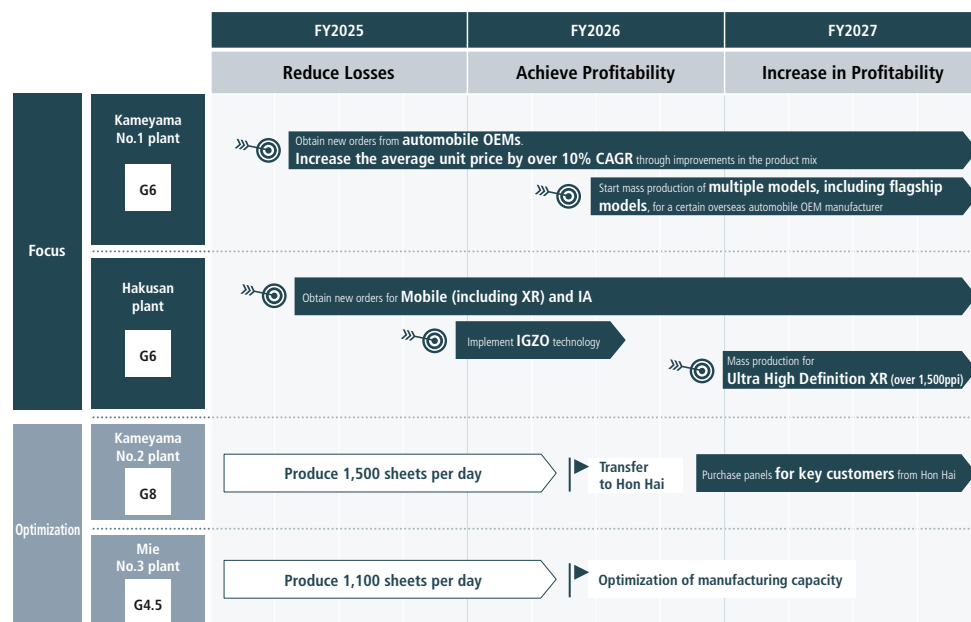
Strategic Framework

Strategic Focus of Panel Production Plants

The Display Device Business halted production of large-size displays at SDP in FY2024 and has been implementing structural reforms, including the optimization of manufacturing capacity for small- and medium-size displays.

We plan to transfer the highly volatile Kameyama No.2 plant to Hon Hai by August 2026 and shift to a business model in which we purchase panels for key customers from Hon Hai. The Kameyama No.1 plant and the Hakusan plant will focus on the field where Sharp can maintain competitive advantages, such as automotive, mobile including XR, and industrial applications.

Through these initiatives, we aim to reduce costs, expand sales of high-value-added products, and build a highly profitable business structure.



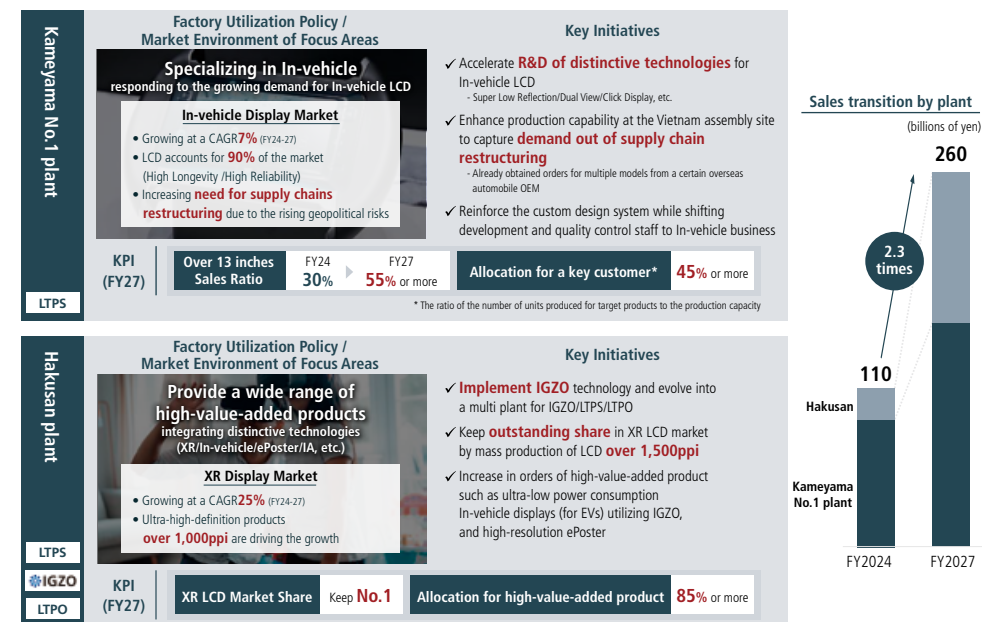
Kameyama No.1 Plant and Hakusan Plant

At the Kameyama No.1 Plant and the Hakusan Plant, we are strengthening technological advantages and reinforcing design, development, and assembly capabilities to significantly expand sales of high-value-added products.

The Kameyama No.1 plant will specialize in in-vehicle displays, responding to the growing demand. The plant plans to increase order intake for large, high-value-added in-vehicle displays by accelerating the development of distinctive technologies, including super low reflection, dual view, and click display, while capturing finished product manufacturer demand for supply chain restructuring amid rising geopolitical risks by expanding production capacity at the Vietnam assembly site.

The Hakusan plant will provide a wide range of high-value-added products centered around IGZO technology, including mass production of ultra-high-definition LCDs for XR applications, ultra-low power consumption displays for in-vehicle use, and high-resolution ePoster.

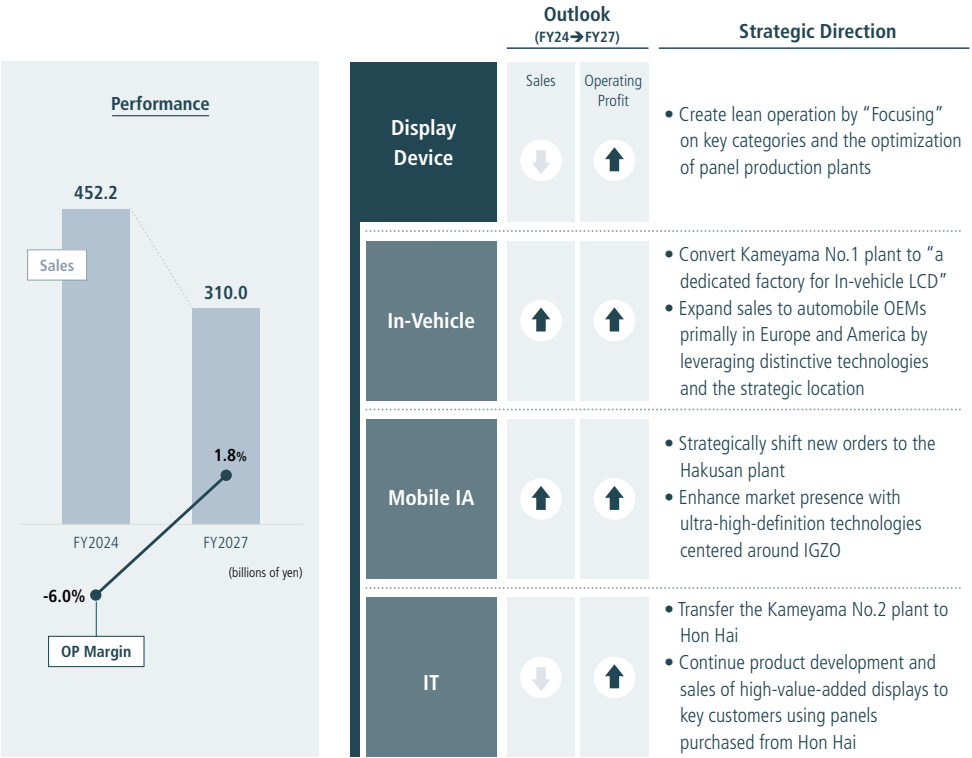
As a result, we plan for the combined sales of the two plants to reach 260 billion yen in FY2027, 2.3 times higher than in FY2024.



Performance Targets

In FY2024, the Display Device Business recorded 452.2 billion yen in sales and an operating profit margin of -6.0%.

We aim to reduce losses in FY2025, break even in FY2026, and achieve an operating profit margin of 1.8% in FY2027. Although we project that sales will decline due to the selection and concentration of panel production plants, we will work to strengthen our business structure to significantly improve profitability.

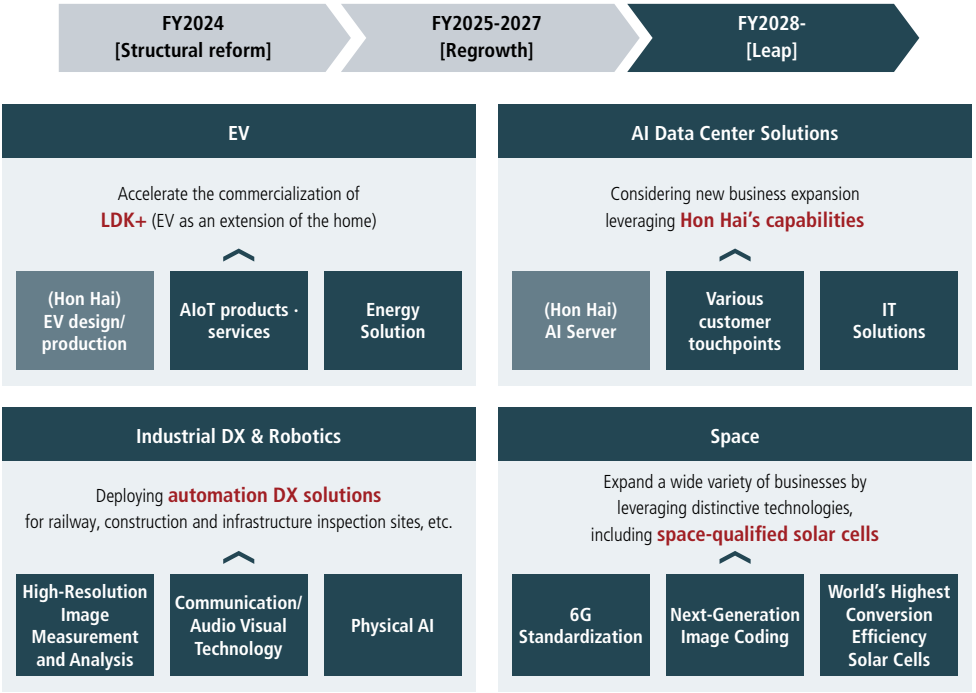


Next Innovation

For Further Growth

Looking ahead to a future leap, Sharp will begin working on Next Innovation in new industrial fields in emerging and high-growth industries.

Specifically, we will develop new initiatives in various fields, including EVs, AI data center solutions, industrial DX & robotics, and space, by mainly focusing on our distinctive technologies while also effectively utilizing Hon Hai’s resources.



Sharp’s strengths to promote Next Innovation