

# Consolidated Financial Results for the Fiscal Year Ended March 31, 2018

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## I . Consolidated Financial Results for Fiscal 2017

## II . Consolidated Financial Results Forecast for Fiscal 2018

## III . Supplementary Data

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SHARP CORPORATION

April 26, 2018

### Forward-Looking Statements

This presentation contains certain statements about the future plans, strategies, and performance of Sharp Corporation and its consolidated subsidiaries (“the Company” or “Sharp”). Statements not based on historical or present facts are assumptions and estimates based on information available at the time. Future plans, strategies, and performance are subject to known and unknown risks, uncertainties, and other factors. Actual performance, business activities, and financial position may differ materially from the assumptions and estimates provided herein due to risks, uncertainties, and other factors. Sharp is under no obligation to update these forward-looking statements in light of new information, future events, or other factors. Risks, uncertainties, and other matters that could affect actual results include, but are not limited to, the following factors:

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

\*Amounts less than 100 million yen shown in this presentation material have been rounded down.

\*Year-on-year change has been calculated based on 100 million yen units. Percentage change has been calculated based on actual figures.

# I . Consolidated Financial Results for Fiscal 2017

# Consolidated Financial Results for Fiscal 2017 (1)

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- Fiscal 2017 earnings improved significantly year on year
- Net sales increased 18% vs. prior year, with all segments reporting revenue growth
- Profits improved steadily throughout the year as the company recorded profits for four consecutive quarters in a single fiscal year for the first time since 2007, prior to the Lehman shock
- Considering our earnings, financial condition, and future business growth, Sharp has decided to pay dividends for the first time in six years

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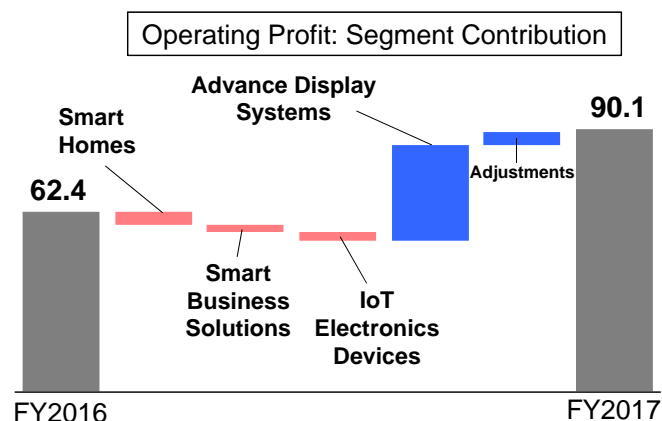
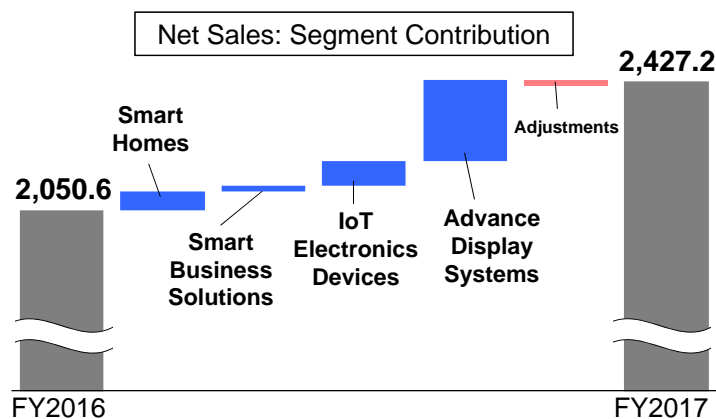
2

- First, let's look at our consolidated financial results for fiscal 2017.
- Fiscal 2017 net sales and all profit measures rose significantly year on year.
- Net sales increased by a healthy 18%.  
All segments reported revenue growth.
- Profits improved steadily throughout the year as we recorded four consecutive quarters of net profits in a single fiscal year for the first time since 2007, prior to the Lehman Shock.
- Considering our earnings improvement, financial condition, and future business growth, Sharp has decided to pay dividends for the first time in six years.

# Consolidated Financial Results for Fiscal 2017 (2)

(Billions of Yen)

	FY2016	FY2017			Y on Y	vs. Forecast	FY2017
	Fiscal Year	First Half	Second Half	Fiscal Year			Fiscal Year Forecast
Net Sales	2,050.6	1,115.1	1,312.1	2,427.2	+18.4%	-82.8	2,510.0
Operating Profit	62.4	40.5	49.5	90.1	+44.3%	-2.9	93.0
Ordinary Profit	25.0	41.1	48.1	89.3	3.6-fold	+2.3	87.0
Profit Attributable to Owners of Parent	-24.8	34.7	35.4	70.2	-	+1.2	69.0
Avg. Exchange Rate							
USD/JPY	107.39	110.07	109.64	109.86			
Euro/JPY	117.29	124.79	131.62	128.20			

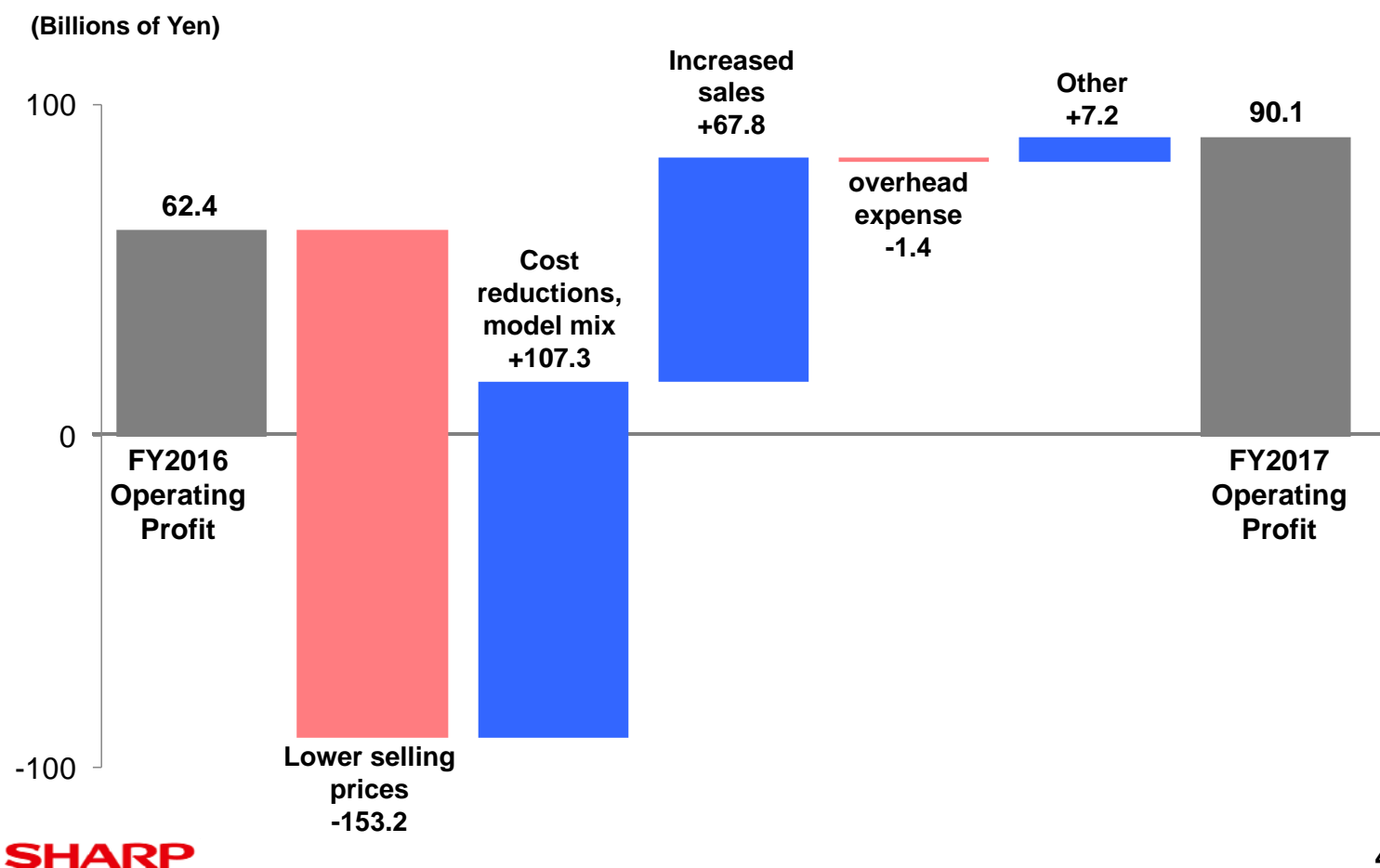


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3

- The next slide summarizes our earnings performance for fiscal 2017. Fluctuations in demand among major customers resulted in lower sales in IoT Electronics Devices than forecast. As a result, we did not meet our full-year forecast for sales and operating profit. However, we continued with structural reform efforts toward stronger earnings capabilities. These efforts resulted in ordinary profit and profit attributable to owners of parent outperforming the full-year forecasts we had already revised upward in October of last year.
- Net sales amounted to 2,427.2 billion yen, 18.4% higher year on year. This result was mainly due to sales growth in Advance Display Systems and other business segments.
- All profit indicators were significantly higher than the prior year. Operating profit rose 44.3% year on year to 90.1 billion yen, driven in part to significant profit growth in our Advance Display Systems segment. Ordinary profit was 3.6 times higher versus prior year at 89.3 billion yen. Profit attributable to owners of parent amounted to 70.2 billion yen. Full-year net income swung to positive territory much more quickly than we projected at the time we transitioned to our new organizational structure.

# Operating Profit Analysis: Y on Y Change Factors, FY2017



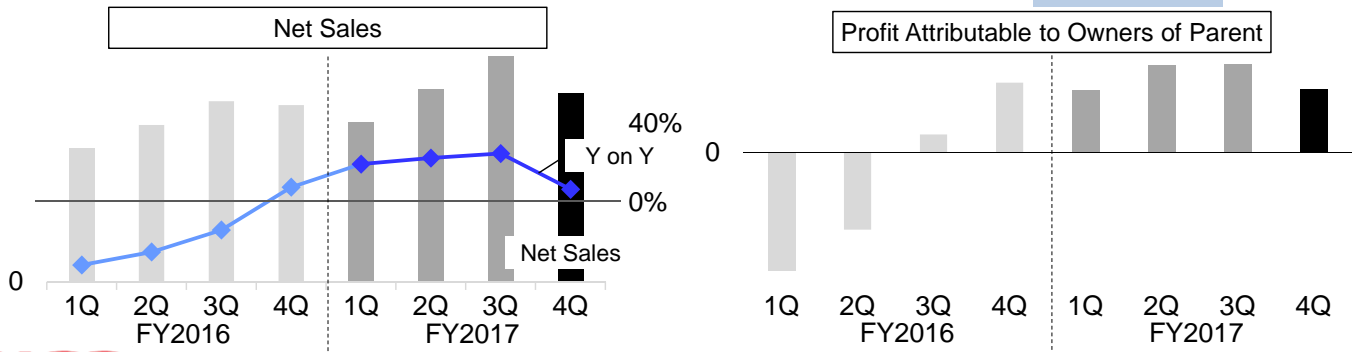
- This graph shows our analysis of factors behind year-on-year changes in operating profit.  
As you can see, fiscal 2017 operating profit grew by a wide margin, reaching 90.1 billion yen.
- While lower selling prices had a negative impact of 153.2 billion yen on profits, 107.3 billion yen in cost reductions, 67.8 billion yen in increased sales, and other factors combined to secure profit growth in excess of 40% year on year.

# Consolidated Financial Results for the Fourth Quarter, Fiscal 2017

- Q4 net sales for fiscal 2017 continued to show strength, outperforming the same period in the prior fiscal year
- Operating profit and ordinary profit were essentially level when excluding 15.6 billion yen in temporary factors in the prior year, etc.
- Despite the factors discussed above, net profit was level year on year, due in part to structural reforms

(Billions of Yen)

	FY2016	FY2017				Y on Y								
	4Q	1Q	2Q	3Q	4Q									
Net Sales	559.3	506.4	608.7	714.2	597.8	+6.9%								
Operating Profit	43.5	17.1	23.4	29.7	19.7	-54.5%								
Ordinary Profit	40.3	17.1	23.9	29.9	18.2	-54.9%								
Profit Attributable to Owners of Parent	16.2	14.4	20.2	20.6	14.8	-8.9%								
	<table border="1"> <thead> <tr> <th colspan="2">Temporary factors</th> </tr> </thead> <tbody> <tr> <td>Total</td> <td>+15.6</td> </tr> <tr> <td>Raw materials contract change</td> <td>+10.1</td> </tr> <tr> <td>Retirement benefits</td> <td>+5.5</td> </tr> </tbody> </table>						Temporary factors		Total	+15.6	Raw materials contract change	+10.1	Retirement benefits	+5.5
Temporary factors														
Total	+15.6													
Raw materials contract change	+10.1													
Retirement benefits	+5.5													
Avg. Exchange Rate														
USD/JPY	112.64	110.10	110.04	111.98	107.30									
Euro/JPY	119.58	120.69	128.88	131.51	131.73									



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5

- The next slide summarizes our results for Q4, fiscal 2017.
- We recorded year-on-year net sales increases throughout the year. Despite fluctuations in demand among major customers resulting in lower sales in IoT Electronics Devices, Q4 sales as a whole rose 6.9% to 597.8 billion yen.
- Operating income amounted to 19.7 billion yen, down 54.5% year on year  
Ordinary profit amounted to 18.2 billion yen, down 54.9% year on year  
Profit attributable to owners of parent amounted to 14.8 billion yen, down 8.9% year on year.

Profit results were below prior year, as the IoT Electronics Devices segment recorded a loss due to the negative impact of demand fluctuations among major customers. Further, we did not experience any special factors affecting results this year (raw materials purchase contract change and decrease in retirement benefit costs recorded in the prior fiscal year).

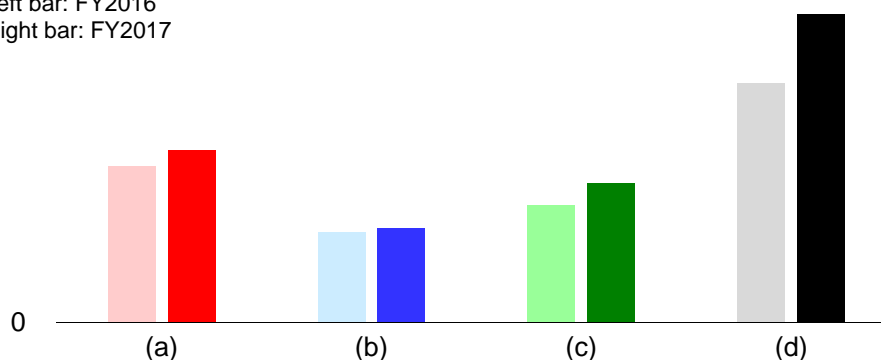
However, ongoing structural reforms have been responsible, in part, for the company recording positive figures for profit attributable to owners of parent in each of the four quarters of fiscal 2017.

# Sales by Segment

(Billions of Yen)

	FY2016	FY2017					Fiscal Year	Y on Y
	Fiscal Year	First Half	3Q	4Q	Second Half			
(a) Smart Homes	550.6	290.6	148.9	168.3	317.3	607.9	+10.4%	
(b) Smart Business Solutions	317.7	162.7	80.1	88.2	168.4	331.1	+4.2%	
(c) IoT Electronics Devices	413.6	192.2	189.3	109.8	299.2	491.5	+18.8%	
(d) Advance Display Systems	842.0	521.6	314.6	250.2	564.9	1,086.5	+29.0%	
Subtotal	2,124.0	1,167.2	733.2	616.7	1,349.9	2,517.2	+18.5%	
Adjustments	-73.4	-52.0	-18.9	-18.9	-37.8	-89.9	-	
Total	2,050.6	1,115.1	714.2	597.8	1,312.1	2,427.2	+18.4%	

Left bar: FY2016  
Right bar: FY2017



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\*Sales include inter-segment sales and transfers.

6

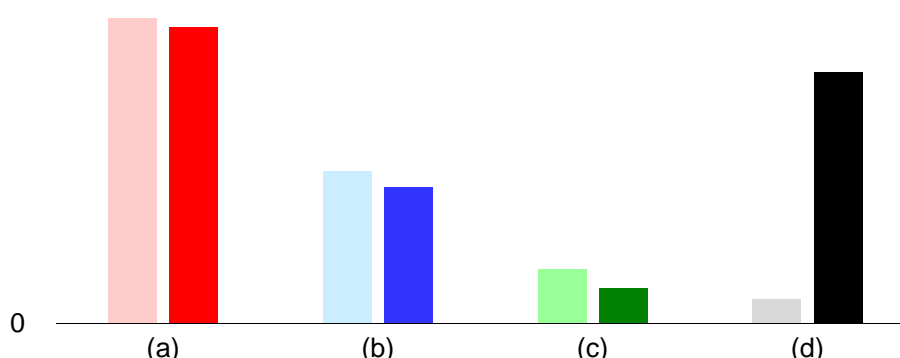
- The next slide shows sales by segment.  
As you can see, every segment is growing steadily.
- Our Smart Homes segment grew 10.4% year on year, recording sales of 607.9 billion yen. Sales of our AQUOS R series, AQUOS sense, and other mobile phones were strong, as were sales of vacuum cleaners (RACTIVE Air cordless vacuum, etc.) and washing machines. Our energy solution business reported strong results in overseas EPC and other sales.
- The Smart Business Solutions segment reported year-on-year growth of 4.2%, recording sales of 331.1 billion yen. This result was mainly due to solid sales of multifunction printers overseas, strong digital signage sales, and other factors.
- Despite the negative impact of demand fluctuations among major customers, our IoT Electronics Devices segment reported sales of 491.5 billion yen, up 18.8% year on year. Broad growth in camera modules for smartphones and strong sales of our unique devices (including sensor modules and semiconductors) combined for this positive result.
- Our Advance Display Systems segment recorded a year-on-year growth of 29.0% to 1,086.5 billion yen. Sales of medium-size panels used in tablets, automobiles, and other applications rose, as did sales of smartphone panels to major customers. Further, sales of LCD TVs rose in China, Asia, and Europe.

# Operating Profit by Segment

\*Figures within parentheses indicate operating margin. (Billions of Yen)

	FY2016	FY2017				Fiscal Year	Y on Y
	Fiscal Year	First Half	3Q	4Q	Second Half		
(a) Smart Homes	48.4 (8.8%)	20.4 (7.0%)	10.6 (7.2%)	12.5 (7.5%)	23.2 (7.3%)	43.7 (7.2%)	-9.7%
(b) Smart Business Solutions	22.5 (7.1%)	8.9 (5.5%)	3.6 (4.5%)	7.6 (8.6%)	11.2 (6.7%)	20.1 (6.1%)	-10.6%
(c) IoT Electronics Devices	8.0 (1.9%)	3.6 (1.9%)	5.1 (2.7%)	-3.5 (-3.2%)	1.5 (0.5%)	5.1 (1.0%)	-35.9%
(d) Advance Display Systems	3.5 (0.4%)	16.3 (3.1%)	13.1 (4.2%)	7.4 (3.0%)	20.6 (3.7%)	37.0 (3.4%)	10.4-fold
<b>Subtotal</b>	<b>82.5</b> (3.9%)	<b>49.3</b> (4.2%)	<b>32.6</b> (4.4%)	<b>24.0</b> (3.9%)	<b>56.7</b> (4.2%)	<b>106.0</b> (4.2%)	+28.5%
<b>Adjustments</b>	<b>-20.1</b>	<b>-8.7</b>	<b>-2.8</b>	<b>-4.3</b>	<b>-7.1</b>	<b>-15.9</b>	-
<b>Total</b>	<b>62.4</b> (3.0%)	<b>40.5</b> (3.6%)	<b>29.7</b> (4.2%)	<b>19.7</b> (3.3%)	<b>49.5</b> (3.8%)	<b>90.1</b> (3.7%)	+44.3%

Left bar: FY2016  
Right bar: FY2017



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7

- The next slide shows operating profit by segment. Following from the prior year, each segment continued to report operating profits.
- At 43.7 billion yen, Smart Homes operating profit was lower year on year, mainly due to the absence of special factors of the type that occurred in the prior year (change in raw materials purchasing contracts, etc.). Mobile phone product line extensions, expanded sales channels, higher sales of unique new products (vacuum cleaners, etc.), and ongoing cost reduction measures were all positive factors during the year.
- Smart Business Solutions recorded 20.1 billion in operating profit, underperforming prior year. Higher sales and overhead cost reductions partially offset the negative impact of selling price decreases, the termination of our security robot business, and other factors.
- While demand fluctuations among major customers resulted in the IoT Electronics Devices segment reporting a loss for fourth quarter, consistent cost reduction measures throughout the year helped the segment report a 5.1 billion yen fiscal-year operating profit.
- Advance Display Systems reported operating profit of 37.0 billion yen, a 10.4-fold increase compared to the prior year.

While the LCD TV business experienced the negative impact of selling price reductions, strong sales in China and other regions overseas contributed to continued profit.

Our display business reported wide improvements in operating profit, mainly due to a category shift to medium-size panels in automotive and other applications, as well as the contribution of cost-reduction measures.



# Non-operating Income (Expenses) / Extraordinary Income (Losses)

(Billions of Yen)

	FY2016	FY2017					Fiscal Year	Difference (Y on Y)
	Fiscal Year	First Half	3Q	4Q	Second Half			
<b>Operating Profit</b>	<b>62.4</b>	<b>40.5</b>	<b>29.7</b>	<b>19.7</b>	<b>49.5</b>	<b>90.1</b>	+27.7	
<b>Non-operating Income (Expenses)</b>	<b>-37.3</b>	<b>+0.5</b>	<b>+0.2</b>	<b>-1.5</b>	<b>-1.3</b>	<b>-0.8</b>	+36.5	
Foreign exchange gains	-3.3	+5.7	+1.5	-0.7	+0.7	+6.4	+9.7	
Interest expense	-6.3	-2.4	-1.1	-1.1	-2.3	-4.8	+1.5	
Share of profit (loss) of entities accounted for using equity method	-18.6	+0.9	+1.2	-2.0	-0.7	+0.1	+18.7	
<b>Ordinary Profit</b>	<b>25.0</b>	<b>41.1</b>	<b>29.9</b>	<b>18.2</b>	<b>48.1</b>	<b>89.3</b>	+64.3	
<b>Extraordinary Income (Losses)</b>	<b>-25.6</b>	<b>-0.6</b>	<b>-0.3</b>	<b>+1.1</b>	<b>+0.7</b>	<b>0.0</b>	+25.6	
Gain on sales of investment securities	+3.2	-	-	+0.7	+0.7	+0.7	-2.5	
Gain (loss) on step acquisitions	-	-1.4	-0.4	+0.3	-0.1	-1.5	-1.5	
Impairment loss	-34.6	-	-0.9	-0.9	-1.9	-1.9	+32.7	
<b>Pretax Income</b>	<b>-0.5</b>	<b>40.4</b>	<b>29.6</b>	<b>19.3</b>	<b>48.9</b>	<b>89.4</b>	+89.9	
<b>Income Taxes, etc.</b>	<b>-24.2</b>	<b>-5.6</b>	<b>-8.9</b>	<b>-4.5</b>	<b>-13.4</b>	<b>-19.1</b>	+5.1	
<b>Profit Attributable to Owners of Parent</b>	<b>-24.8</b>	<b>34.7</b>	<b>20.6</b>	<b>14.8</b>	<b>35.4</b>	<b>70.2</b>	+95.0	

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8

- The next slide addresses non-operating income and extraordinary income.
- Non-operating income for fiscal 2017 improved year-on-year, mainly due to the company's share of profit of entities accounted for using equity method.
- We also saw improvement in extraordinary income, mainly due to lower impairment loss, which served to offset a loss on step acquisitions.

# Consolidated Balance Sheets

- Net assets as of March 31, 2018 increased to 401.7 billion yen, compared to 389.5 billion yen as of December 31, 2017
- Equity ratio improved to 19.8%

	(Billions of Yen)				(Billions of Yen)		
	FY2016	FY2017			FY2016	FY2017	
	End of Mar.	End of Dec.	End of Mar.		End of Mar.	End of Dec.	End of Mar.
Cash and deposits	482.1	397.6	422.3	Notes and accounts payable - trade	350.5	510.4	429.4
Notes and accounts receivable - trade	375.5	578.8	471.5	Short-term loans payable	113.5	79.2	81.2
Inventories	217.8	214.4	219.7	Current portion of bonds payable	0.0	0.0	10.0
Other current assets	118.1	123.6	110.1	Other current liabilities	337.5	334.0	313.2
<b>Current Assets</b>	<b>1,193.7</b>	<b>1,314.7</b>	<b>1,223.7</b>	<b>Current Liabilities</b>	<b>801.6</b>	<b>923.7</b>	<b>833.9</b>
Property, plant and equipment	349.6	419.0	428.5	Bonds payable	40.0	40.0	30.0
Intangible assets	42.3	43.5	44.7	Long-term loans payable	490.3	505.2	507.0
Investments and other assets	187.9	220.6	211.5	Other non-current liabilities	133.9	139.5	135.9
<b>Non-current Assets</b>	<b>579.9</b>	<b>683.2</b>	<b>684.9</b>	<b>Non-current Liabilities</b>	<b>664.2</b>	<b>684.7</b>	<b>673.0</b>
<b>Deferred Assets</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>Net Assets</b>	<b>307.8</b>	<b>389.5</b>	<b>401.7</b>
<b>Total Assets</b>	<b>1,773.6</b>	<b>1,997.9</b>	<b>1,908.6</b>	<b>Total Liabilities and Net Assets</b>	<b>1,773.6</b>	<b>1,997.9</b>	<b>1,908.6</b>
Exchange Rate, End of Period				Equity Ratio	16.6%	18.7%	19.8%
USD/JPY	111.20	112.05	105.27				
Euro/JPY	118.28	133.45	129.08				

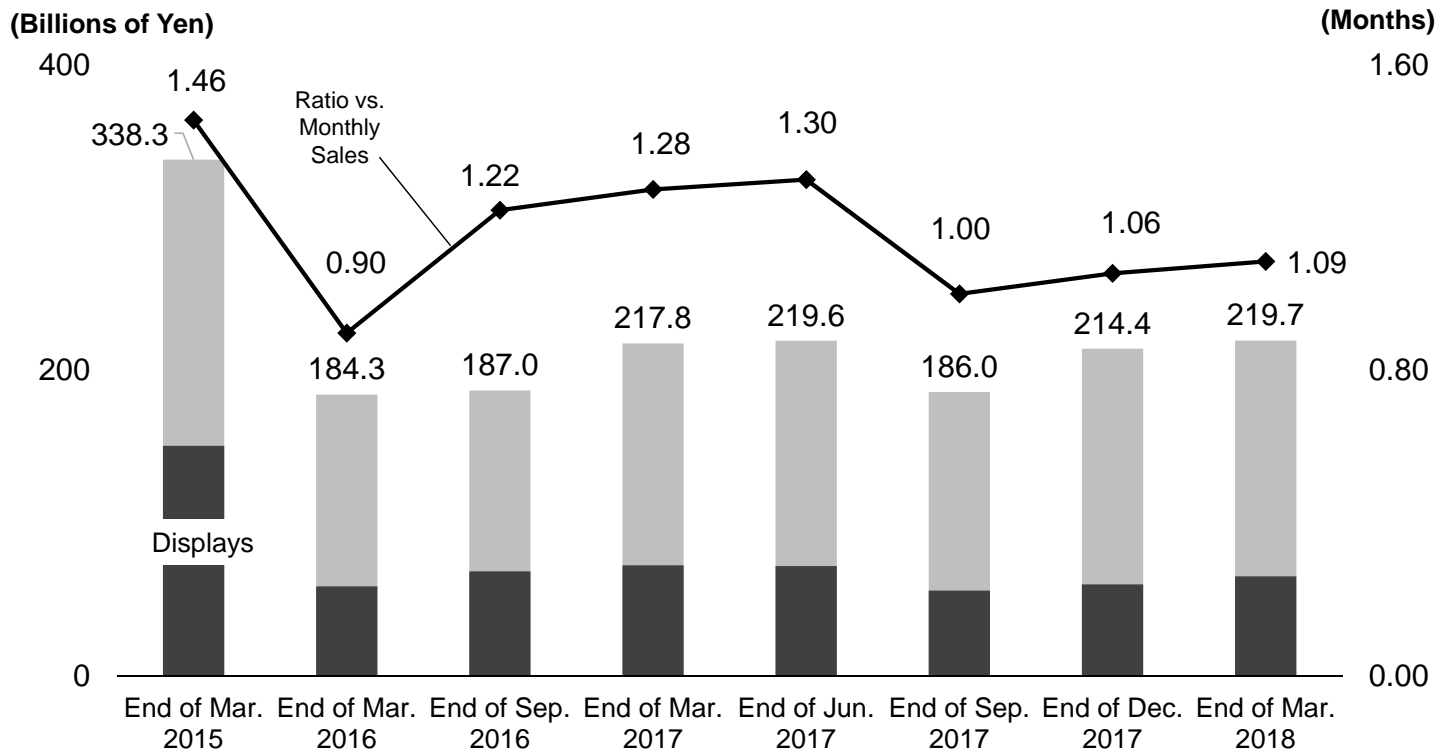
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9

- The next slide provides information about our balance sheets.
- In conjunction with a steady profit performance, cash and deposits increased from 397.6 billion yen at the end of the third quarter to 422.3 billion yen at the end of the fiscal year.
- Net assets at the end of fiscal 2017 amounted to 401.7 billion yen, an increase of 12.2 billion yen compared to the end of the third quarter. This result was mainly due to positive profit attributable to owners of the parent.
- Our equity ratio continued to improve, from 18.7% at the end of the third quarter to 19.8% at the end of the fiscal year.

# Inventory Trends

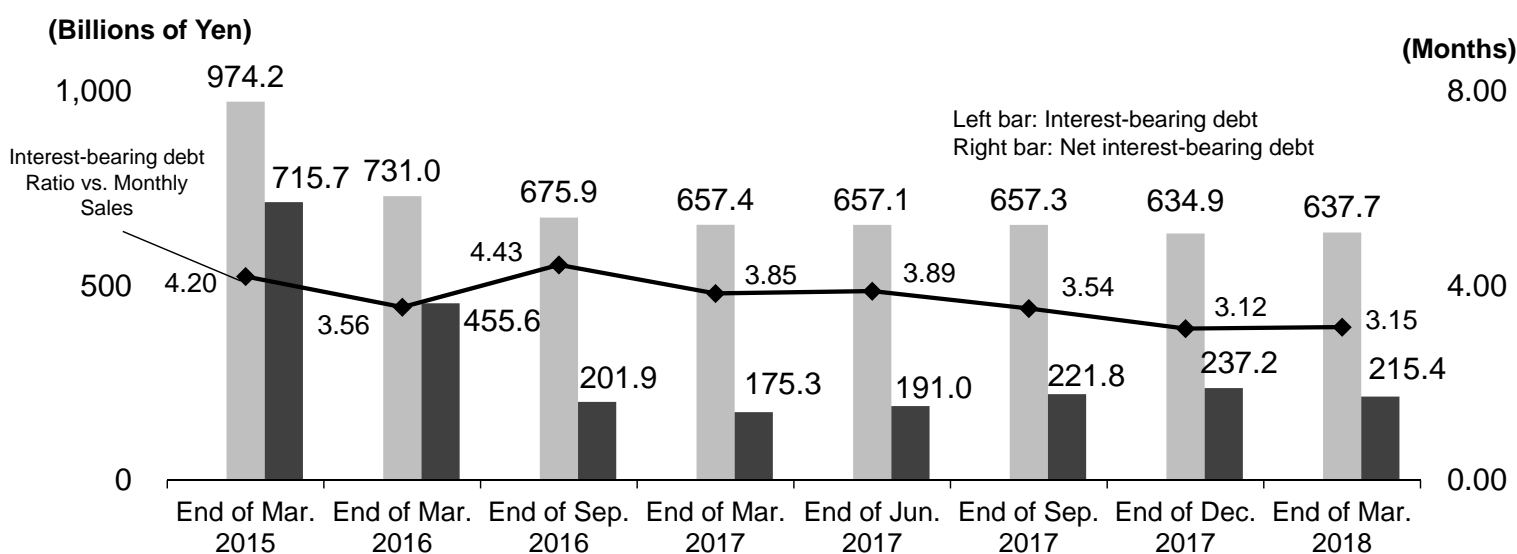
- Inventory amounted to 219.7 billion yen, compared to a balance of 214.4 billion yen as of December 31, 2017
- The company intends to maintain **appropriate inventory levels** reflecting future sales plans



- The next slide discusses our inventory trends.
- Inventory at the end of fiscal 2017 amounted to 219.7 billion yen, essentially level with the 214.4 billion yen balance at the end of third quarter. Inventory to monthly sales ratio rose 0.03 months to 1.09 months.
- We intend to maintain appropriate inventory levels reflecting demand trends and sales risks in the future.

# Interest-Bearing Debt Trends

- Interest-bearing debt as of March 2018 was 637.7 billion yen, nearly level with the balance as of December 2017.
- Interest-bearing debt to monthly sales ratio changed from 3.12 months to 3.15 months
- Net interest-bearing debt\* amounted to 215.4 billion yen, down from 237.2 billion yen



Net D/E Ratio	23.7	-	0.8	0.6	0.6	0.6	0.6	0.6
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\*Net interest-bearing debt: interest-bearing debt – cash and deposits

11

- Next, let's take a look at interest-bearing debt.
- At 637.7 billion yen, fiscal 2017 interest-bearing debt was essentially level with the balance as of the end of third quarter.  
Net interest-bearing debt decreased 21.8 billion yen to 215.4 billion yen, mainly due to strong business performance and increases in cash and deposits.
- We will continue to optimize inventories and invest more efficiently in equipment to improve cash flows.

## **II . Consolidated Financial Results Forecast for Fiscal 2018**

- Next, I will discuss our consolidated earnings forecast for fiscal 2018.

- Medium-term management plan progress
- FY2018 net sales and profits expected to outperform FY2017
- Considering the market, we have selected a more conservative foreign exchange rate projections than set in our medium-term management plan  
Medium-term plan: USD1=JPY110 ⇒ New rate: USD1=JPY102
- Even given the assumptions above, we still expect to achieve our medium-term projections for FY2018

- Please turn to the next slide.
- We are progressing in line with our medium-term management plan. Accordingly, we forecast fiscal 2018 to be another year of significant growth in sales and in every profit measure.
- We considered market trends and economic circumstances in the calculations of our forecasts. Here, we have selected a more conservative foreign exchange rate than what we set in our medium-term management plan.
- Even assuming more conservative foreign exchange rates, we expect to achieve the FY2018 projections set in our medium-term management plan.

# Consolidated Financial Results Forecast for Fiscal 2018 (2)

(Billions of Yen)

	FY2017			FY2018			Y on Y
	First Half	Second Half	Fiscal Year	First Half Forecast	Second Half Forecast	Fiscal Year Forecast	
<b>Net Sales</b>	<b>1,115.1</b>	<b>1,312.1</b>	<b>2,427.2</b>	<b>1,300.0</b>	<b>1,590.0</b>	<b>2,890.0</b>	+19.1%
<b>Operating Profit</b>	<b>40.5</b>	<b>49.5</b>	<b>90.1</b>	<b>46.0</b>	<b>64.0</b>	<b>110.0</b>	+22.1%
(margin)	(3.6%)	(3.8%)	(3.7%)	(3.5%)	(4.0%)	(3.8%)	
<b>Ordinary Profit</b>	<b>41.1</b>	<b>48.1</b>	<b>89.3</b>	<b>43.0</b>	<b>57.0</b>	<b>100.0</b>	+12.0%
(margin)	(3.7%)	(3.7%)	(3.7%)	(3.3%)	(3.6%)	(3.5%)	
<b>Profit Attributable to Owners of Parent</b>	<b>34.7</b>	<b>35.4</b>	<b>70.2</b>	<b>36.0</b>	<b>44.0</b>	<b>80.0</b>	+13.9%
(margin)	(3.1%)	(2.7%)	(2.9%)	(2.8%)	(2.8%)	(2.8%)	
<b>Avg. Exchange Rate</b>							
USD/JPY	110.07	109.64	109.86			102.00	
Euro/JPY	124.79	131.62	128.20			126.00	

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14

The next slide summarizes our fiscal 2018 earnings forecasts.

Our forecasts call for significant increases in sales and profits:

We forecast net sales of 2,890.0 billion yen, which is 19.1% higher year on year, operating profit of 110.0 billion yen (22.1% increase), ordinary profit of 100.0 billion yen (12.0% increase), and profit attributable to owners of parent of 80.0 billion yen (13.9% increase)

We now project a more conservative foreign exchange rate than that used for our medium-term management plan. However, we are performing generally in line with plan. In particular, white goods sales overseas, new products such as 8K cameras introduced in the prior year, and unique Sharp devices (medium-size panels for PCs, tablets, and automobiles; other products) should outperform plan. Accordingly, we have made no changes to our sales and profit forecasts.

### III. Supplementary Data

- As supplementary data, we have provided you with sales and operating profit by segment and other information which you can look over at your leisure.
- We have engaged in ongoing structural reform and business expansion initiatives since our transition to a new organizational structure. We are pleased to have recovered to the point of paying dividends to shareholders. We plan to continue growing our business without pause, working steadily to achieve our medium-term management plan goals, to strengthen our earnings capacity, and to improve our financial structure.
- Thank you for your attention.



# Consolidated Financial Results

(Billions of Yen)

	FY2016			FY2017		
	First Half	Second Half	Fiscal Year	First Half	Second Half	Fiscal Year
<b>Net Sales</b>	<b>919.6</b>	<b>1,130.9</b>	<b>2,050.6</b>	<b>1,115.1</b>	<b>1,312.1</b>	<b>2,427.2</b>
<b>Operating Profit</b>	<b>0.0</b>	<b>62.3</b>	<b>62.4</b>	<b>40.5</b>	<b>49.5</b>	<b>90.1</b>
(margin)	(0.0%)	(5.5%)	(3.0%)	(3.6%)	(3.8%)	(3.7%)
<b>Ordinary Profit</b>	<b>-32.0</b>	<b>57.1</b>	<b>25.0</b>	<b>41.1</b>	<b>48.1</b>	<b>89.3</b>
(margin)	(-3.5%)	(5.1%)	(1.2%)	(3.7%)	(3.7%)	(3.7%)
<b>Profit Attributable to Owners of Parent</b>	<b>-45.4</b>	<b>20.5</b>	<b>-24.8</b>	<b>34.7</b>	<b>35.4</b>	<b>70.2</b>
(margin)	(-4.9%)	(1.8%)	(-1.2%)	(3.1%)	(2.7%)	(2.9%)

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16

# Consolidated Quarterly Financial Results

(Billions of Yen)

	FY2016				FY2017			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
<b>Net Sales</b>	<b>423.3</b>	<b>496.2</b>	<b>571.5</b>	<b>559.3</b>	<b>506.4</b>	<b>608.7</b>	<b>714.2</b>	<b>597.8</b>
<b>Operating Profit</b>	<b>-2.5</b>	<b>2.5</b>	<b>18.8</b>	<b>43.5</b>	<b>17.1</b>	<b>23.4</b>	<b>29.7</b>	<b>19.7</b>
(margin)	(-0.6%)	(0.5%)	(3.3%)	(7.8%)	(3.4%)	(3.9%)	(4.2%)	(3.3%)
<b>Ordinary Profit</b>	<b>-22.3</b>	<b>-9.7</b>	<b>16.7</b>	<b>40.3</b>	<b>17.1</b>	<b>23.9</b>	<b>29.9</b>	<b>18.2</b>
(margin)	(-5.3%)	(-2.0%)	(2.9%)	(7.2%)	(3.4%)	(3.9%)	(4.2%)	(3.0%)
<b>Profit Attributable to Owners of Parent</b>	<b>-27.4</b>	<b>-17.9</b>	<b>4.2</b>	<b>16.2</b>	<b>14.4</b>	<b>20.2</b>	<b>20.6</b>	<b>14.8</b>
(margin)	(-6.5%)	(-3.6%)	(0.7%)	(2.9%)	(2.9%)	(3.3%)	(2.9%)	(2.5%)

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17

# Sales by Segment

(Billions of Yen)

	FY2016			FY2017		
	First Half	Second Half	Fiscal Year	First Half	Second Half	Fiscal Year
Smart Homes	263.6	286.9	550.6	290.6	317.3	607.9
Smart Business Solutions	159.6	158.0	317.7	162.7	168.4	331.1
IoT Electronics Devices	177.1	236.4	413.6	192.2	299.2	491.5
Advance Display Systems	357.5	484.5	842.0	521.6	564.9	1,086.5
Subtotal	958.0	1,166.0	2,124.0	1,167.2	1,349.9	2,517.2
Adjustments	-38.3	-35.0	-73.4	-52.0	-37.8	-89.9
Total	919.6	1,130.9	2,050.6	1,115.1	1,312.1	2,427.2

\*Sales include inter-segment sales and transfers.

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18

# Operating Profit by Segment

(Billions of Yen)

	FY2016			FY2017		
	First Half	Second Half	Fiscal Year	First Half	Second Half	Fiscal Year
Smart Homes	14.4 (5.5%)	33.9 (11.8%)	48.4 (8.8%)	20.4 (7.0%)	23.2 (7.3%)	43.7 (7.2%)
Smart Business Solutions	11.2 (7.0%)	11.2 (7.1%)	22.5 (7.1%)	8.9 (5.5%)	11.2 (6.7%)	20.1 (6.1%)
IoT Electronics Devices	-1.5 (-0.9%)	9.5 (4.1%)	8.0 (1.9%)	3.6 (1.9%)	1.5 (0.5%)	5.1 (1.0%)
Advance Display Systems	-14.6 (-4.1%)	18.2 (3.8%)	3.5 (0.4%)	16.3 (3.1%)	20.6 (3.7%)	37.0 (3.4%)
Subtotal	9.5 (1.0%)	73.0 (6.3%)	82.5 (3.9%)	49.3 (4.2%)	56.7 (4.2%)	106.0 (4.2%)
Adjustments	-9.4	-10.6	-20.1	-8.7	-7.1	-15.9
Total	0.0 (0.0%)	62.3 (5.5%)	62.4 (3.0%)	40.5 (3.6%)	49.5 (3.8%)	90.1 (3.7%)

\*Figures within parentheses indicate operating margin.

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19

# Quarterly Sales by Segment

(Billions of Yen)

	FY2016				FY2017			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
Smart Homes	125.0	138.6	128.9	157.9	130.2	160.4	148.9	168.3
Smart Business Solutions	77.5	82.1	72.3	85.7	72.1	90.5	80.1	88.2
IoT Electronics Devices	75.0	102.1	140.5	95.9	83.2	109.0	189.3	109.8
Advance Display Systems	167.1	190.3	245.4	239.0	249.6	271.9	314.6	250.2
Subtotal	444.7	513.3	587.3	578.6	535.3	631.9	733.2	616.7
Adjustments	-21.3	-17.0	-15.7	-19.3	-28.8	-23.1	-18.9	-18.9
Total	423.3	496.2	571.5	559.3	506.4	608.7	714.2	597.8

\*Sales include inter-segment sales and transfers.

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20

# Quarterly Operating Profit by Segment

(Billions of Yen)

	FY2016				FY2017			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
Smart Homes	2.3 (1.9%)	12.1 (8.8%)	2.9 (2.3%)	30.9 (19.6%)	9.9 (7.6%)	10.5 (6.6%)	10.6 (7.2%)	12.5 (7.5%)
Smart Business Solutions	5.9 (7.7%)	5.2 (6.4%)	4.1 (5.8%)	7.1 (8.3%)	3.0 (4.2%)	5.8 (6.5%)	3.6 (4.5%)	7.6 (8.6%)
IoT Electronics Devices	0.5 (0.7%)	-2.0 (-2.0%)	5.6 (4.0%)	3.9 (4.1%)	1.7 (2.1%)	1.8 (1.7%)	5.1 (2.7%)	-3.5 (-3.2%)
Advance Display Systems	-6.8 (-4.1%)	-7.8 (-4.1%)	11.0 (4.5%)	7.1 (3.0%)	6.7 (2.7%)	9.6 (3.5%)	13.1 (4.2%)	7.4 (3.0%)
Subtotal	1.9 (0.4%)	7.6 (1.5%)	23.8 (4.1%)	49.1 (8.5%)	21.4 (4.0%)	27.8 (4.4%)	32.6 (4.4%)	24.0 (3.9%)
Adjustments	-4.4	-5.0	-4.9	-5.6	-4.3	-4.4	-2.8	-4.3
Total	-2.5 (-0.6%)	2.5 (0.5%)	18.8 (3.3%)	43.5 (7.8%)	17.1 (3.4%)	23.4 (3.9%)	29.7 (4.2%)	19.7 (3.3%)

\*Figures within parentheses indicate operating margin.

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21

# Capital Investment/Depreciation and Amortization, etc.

(Billions of Yen)							
	FY2016			FY2017			FY2018
	First Half	Second Half	Fiscal Year	First Half	Second Half	Fiscal Year	Fiscal Year Forecast
<b>Capital Investment</b>	<b>27.4</b>	<b>50.3</b>	<b>77.7</b>	<b>73.2</b>	<b>46.1</b>	<b>119.3</b>	<b>120.0</b>
Displays	12.7	21.4	34.1	16.7	18.7	35.5	40.0
<b>Depreciation and Amortization</b>	<b>27.4</b>	<b>32.3</b>	<b>59.7</b>	<b>28.8</b>	<b>39.6</b>	<b>68.4</b>	<b>88.0</b>
<b>R&amp;D Expenditures</b>	<b>55.8</b>	<b>50.2</b>	<b>106.1</b>	<b>50.2</b>	<b>50.2</b>	<b>100.5</b>	<b>110.0</b>
(Yen)							
Avg. Exchange Rate	FY2016			FY2017			FY2018
	First Half	Second Half	Fiscal Year	First Half	Second Half	Fiscal Year	Fiscal Year Forecast
US Dollar	104.30	110.48	107.39	110.07	109.64	109.86	102.00
Euro	116.66	117.93	117.29	124.79	131.62	128.20	126.00

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22

# Quarterly Capital Investment and Depreciation, etc.

(Billions of Yen)								
	FY2016				FY2017			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
<b>Capital Investment</b>	<b>10.2</b>	<b>17.2</b>	<b>35.4</b>	<b>14.8</b>	<b>18.8</b>	<b>54.4</b>	<b>33.7</b>	<b>12.3</b>
Displays	5.6	7.0	14.1	7.2	3.2	13.5	11.0	7.7
<b>Depreciation and Amortization</b>	<b>13.5</b>	<b>13.8</b>	<b>16.2</b>	<b>16.1</b>	<b>14.1</b>	<b>14.6</b>	<b>19.4</b>	<b>20.1</b>
<b>R&amp;D Expenditures</b>	<b>29.7</b>	<b>26.1</b>	<b>29.3</b>	<b>20.8</b>	<b>28.7</b>	<b>21.5</b>	<b>30.8</b>	<b>19.3</b>
(Yen)								
Avg. Exchange Rate	FY2016				FY2017			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
US Dollar	107.16	101.44	108.32	112.64	110.10	110.04	111.98	107.30
Euro	120.53	112.78	116.29	119.58	120.69	128.88	131.51	131.73

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23

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