

Consolidated Financial Results for the Third Quarter, Fiscal 2020

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SHARP CORPORATION

March 12, 2021

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 . Investigation Committee Report

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- Thank you for taking time out of your busy schedule to join us today.
- We are serious about the inconvenience and concern caused by the inappropriate accounting treatment at Kantatsu Co., Ltd.
On behalf of Sharp, I want to express our deepest apologies to our shareholders, investors, and all other concerned parties.
- To prevent such problems from occurring again, we will make sure to implement the measures designed to prevent recurrence as described in the Investigation Committee's report. At the same time, we will work continuously to strengthen our governance further.
We ask for your continued guidance and encouragement in the future.
- Before I present an overview of our financial results, Mr. Sakakibara from Sharp will discuss the details of the investigation report. Mr. Sakakibara is a member of the Investigation Committee.

Investigation Committee Report

■ Overview of Investigation Results

From FY2018 to FY2020, Kantatsu Co., Ltd. and its subsidiaries (hereinafter, "Kantatsu Group") engaged in events that should be evaluated as fraudulent or erroneous, such as recording sales without purchase orders, recording sales without making allowances for sales with return clauses, or conducting round-trip transactions for inventory items without carrying values.

■ Direct Impact on Financial Statements of Sharp

(Billions of Yen)

	FY2018	FY2019	FY2020	Total
Net sales	-2.0	-7.1	+1.6	-7.5
Pre-tax profit	-2.6	-4.5	-0.4	-7.6

■ Causes of the Incident within the Kantatsu Group

- (1) Disregard for laws and accounting standards by Kantatsu management
- (2) Company internal culture (awareness of priority on results)
- (3) Inadequate controls (insubstantive control functions)
- (4) Inadequate and vulnerable management systems

■ Group Governance Issues at Sharp

- (1) Ineffective functioning of group internal controls
- (2) Inadequate control by the parent company over the appointment of directors at subsidiaries
- (3) Insufficient management control (monitoring) of subsidiary
- (4) Extent of subsidiary audits conducted by the parent company

■ Initiatives to Prevent Recurrence

- (1) Foster awareness of compliance, including adherence to accounting standards, and strengthen accounting knowledge
- (2) Strengthen mutual checks and balances; ensure compliance with procedures and strengthen auditing/supervision
- (3) Strengthen management and supervision by Sharp

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- My name is Sakakibara. In response to the recognition of the existence of inappropriate accounting treatment discovered in the audit of Kantatsu by Sharp's internal audit department, we established an investigation committee on December 25, 2020 in which external experts took the lead and provided guidance in the investigation, conducted in a thorough and comprehensive manner.
Today, we released the investigation committee report, which I will now explain to you. Please refer to the slide.
- As a result of our investigation, we confirmed that from fiscal 2018 to fiscal 2020, Kantatsu Co., Ltd. and its subsidiaries engaged in events that should be evaluated as fraudulent or erroneous, such as recording sales without purchase orders, recording sales without making allowances for sales with return clauses, and conducting round-trip transactions for inventory items without carrying values.
- The direct impact of this investigation on Sharp's consolidated results was 7.5 billion yen in net sales and 7.6 billion yen in pre-tax profit.
- Behind this incident, we found that Kantatsu Group management disregarded laws and accounting standards, that the Kantatsu Group's internal culture prioritized results, that the group's controls were inadequate, and that its management systems were inadequate and vulnerable.
- We also discovered within Sharp, as the parent company, had ineffectively functioning group internal control systems with respect to Kantatsu, that there was inadequate control by the parent company over the appointment of directors as subsidiaries, that there was insufficient management control over subsidiaries, that there were issues with the extent of subsidiary audits conducted by the parent company, and other group governance issues.
- To prevent the recurrence of such incidents, we have concluded that we must take measures against recurrence, including fostering awareness of compliance with accounting standards and strengthening accounting knowledge, strengthening mutual checks and balances, ensuring compliance with procedures, strengthening auditing and supervision, and strengthening management and supervision by Sharp.
- This concludes my report.

II . Consolidated Financial Results for the Third Quarter, Fiscal 2020

Fiscal 2020 Consolidated Financial Results Forecast and Dividends

- Now, allow me to explain our Q3 financial results.

Consolidated Financial Results for the Third Quarter, Fiscal 2020 (1)

- Despite stricter and extended regulations in every country in connection with the reemergence of COVID-19, as well as bottlenecks in components and logistics, net sales and operating profit for Q3 FY2020, continued largely in line with projections, growing further from Q2.
- Profits recovered from Q2 across all three segments (Smart Life, 8K Ecosystem, ICT) Smart Life recorded a significant increase in profit YoY, supported by strong sales of white goods, etc.
- Although Sakai Display Products Corporation recorded an impairment loss resulting in a share of loss of entities accounted for using the equity method not included in our full-year forecast, we expect to reach the number forecast for full-year bottom-line profit.
- Considering these circumstances, we plan for a 30 yen per share dividend for FY2020, representing an increase of 12 yen compared to the 18 yen per share dividend paid in FY2019.

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- Let's look at our consolidated results for Q3, fiscal 2020
- Despite stricter and extended regulations in every country in connection with the reemergence of COVID-19, as well as bottlenecks in components and logistics, net sales and operating profit for Q3, fiscal 2020, continued largely in line with projections, growing further from Q2.
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Consolidated Financial Results for the Third Quarter, Fiscal 2020 (2)

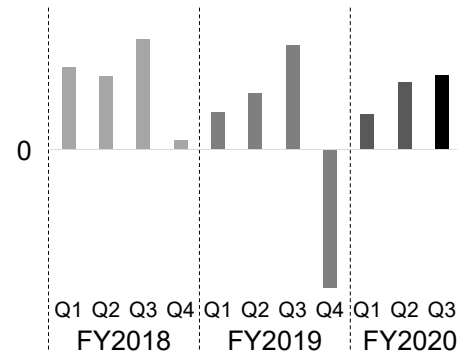
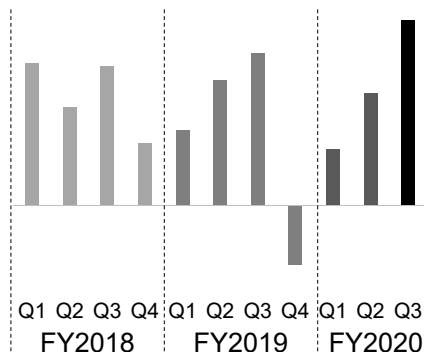
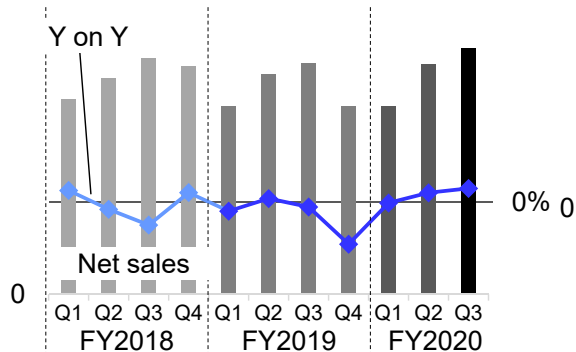
(Billions of Yen)

	FY2019				FY2020				Impact of CV-19
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Y on Y	
Net Sales	514.6	602.4	633.3	511.8	514.4	628.9	673.4	+6.3%	-13.0
Operating Profit	13.2 (2.6%)	21.9 (3.6%)	26.6 (4.2%)	-10.3 (-2.0%)	9.8 (1.9%)	19.7 (3.1%)	32.3 (4.8%)	+21.3%	-4.0
Ordinary Profit	11.9 (2.3%)	17.4 (2.9%)	30.3 (4.8%)	-9.6 (-1.9%)	11.2 (2.2%)	18.5 (3.0%)	13.9 (2.1%)	-54.0%	
Profit Attributable to Owners of Parent	8.7 (1.7%)	13.1 (2.2%)	24.2 (3.8%)	-32.3 (-6.3%)	8.1 (1.6%)	15.5 (2.5%)	17.3 (2.6%)	-28.3%	
Avg. Exchange Rate									
USD/JPY	108.90	106.35	107.76	107.94	106.62	105.22	103.51		
Euro/JPY	121.99	117.84	118.82	118.62	116.97	122.61	123.03		

Net Sales

Operating Profit

Profit Attributable to Owners of Parent



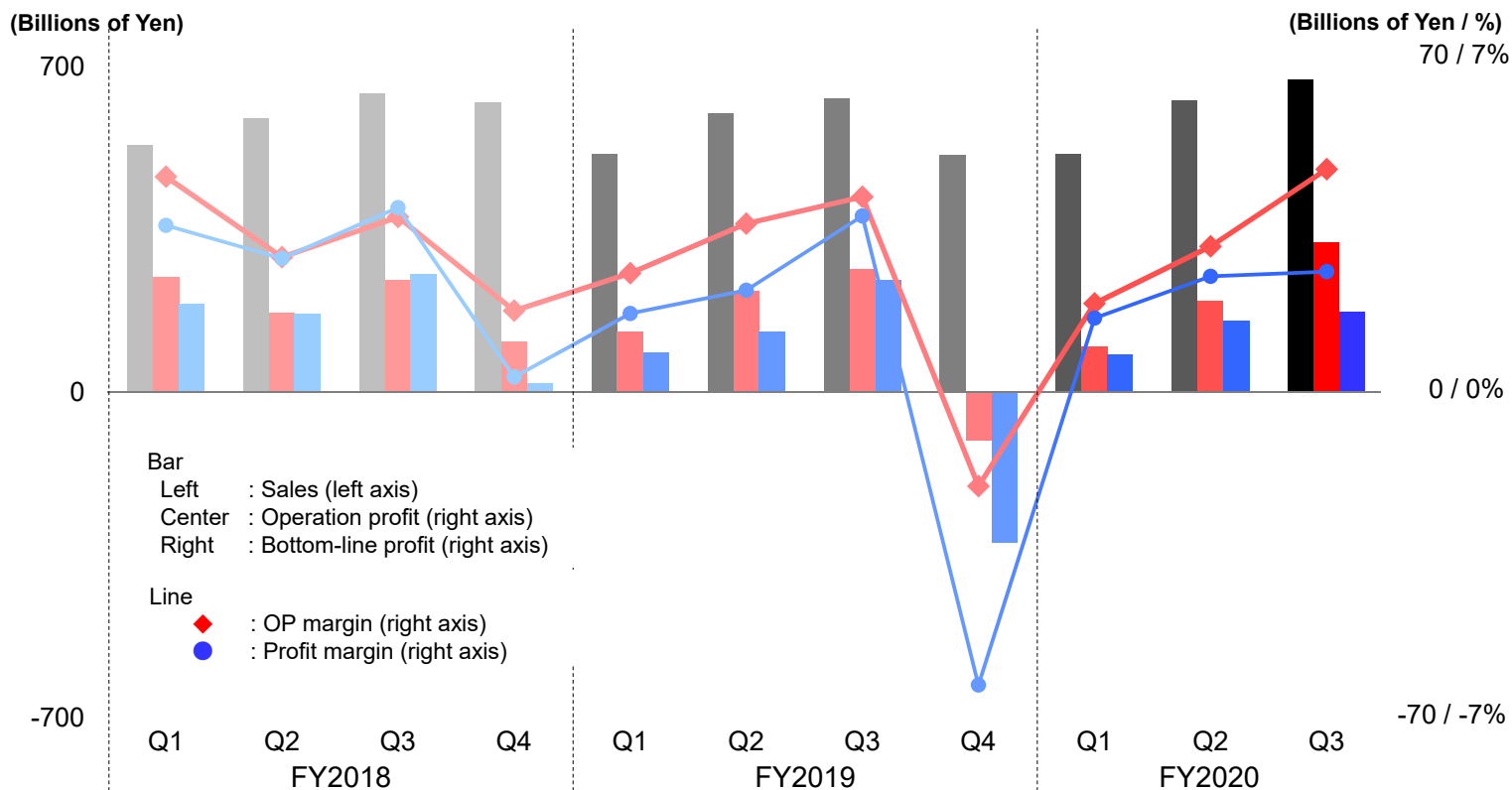
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- The next slide provides highlights of our financial results for Q3, fiscal 2020.
- Net sales amounted to 673.4 billion yen.
- Operating profit amounted to 32.3 billion yen, ordinary profit amounted to 13.9 billion yen, profit attributable to owners of parent amounted to 17.3 billion yen.
- Impact from COVID-19 resulted in approximately 13 billion yen in net sales and 4 billion yen in operating profit.

Consolidated Financial Results for the Third Quarter, Fiscal 2020 (3)

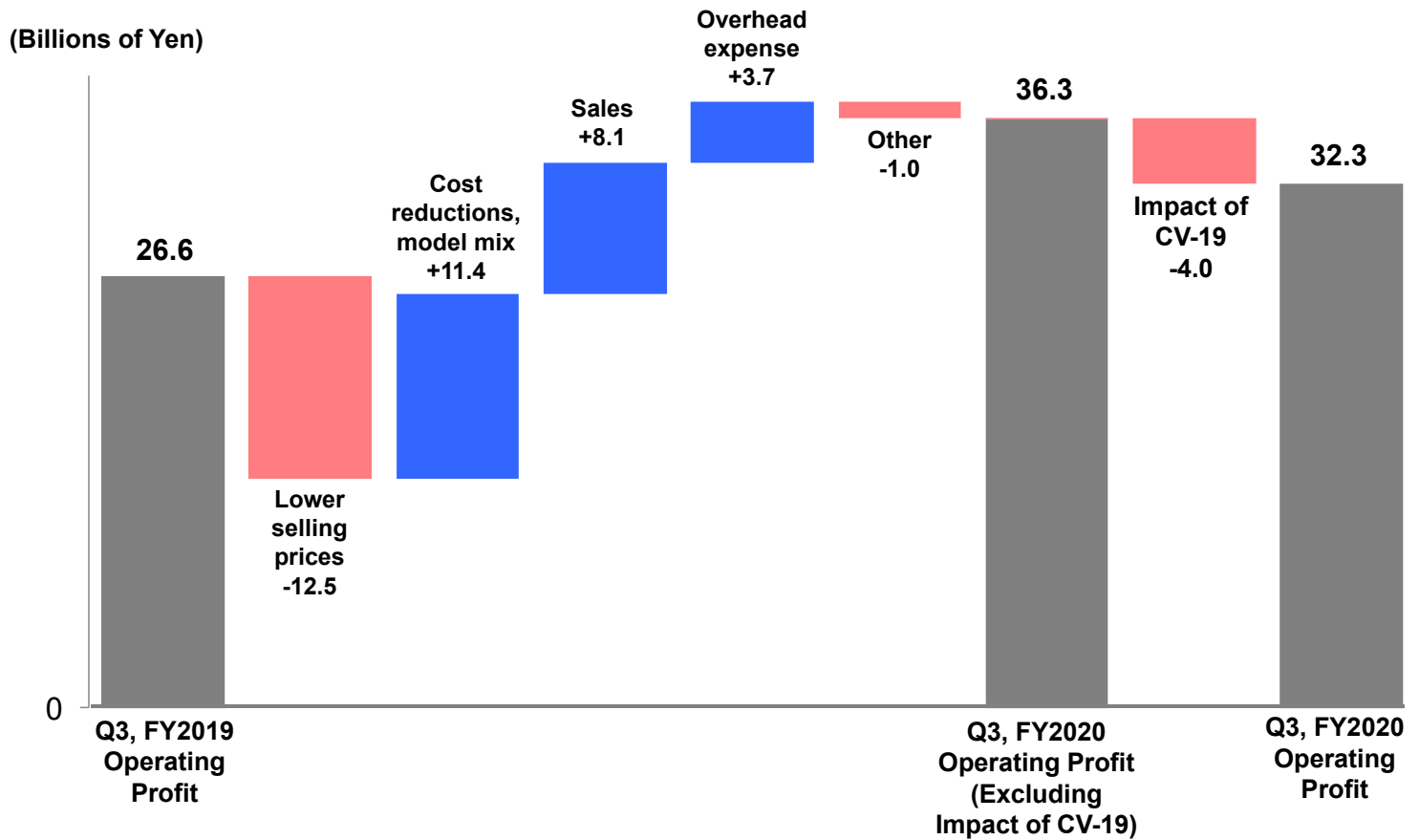
• Financial results continue to recover from a low point in Q4 FY2019.



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- The next slide shows financial results by quarter.
- As you can see, our financial results began tracing a recovery path from a low point in Q4, fiscal 2019.

Operating Profit Analysis : Y on Y Change Factors for the Third Quarter, Fiscal 2020

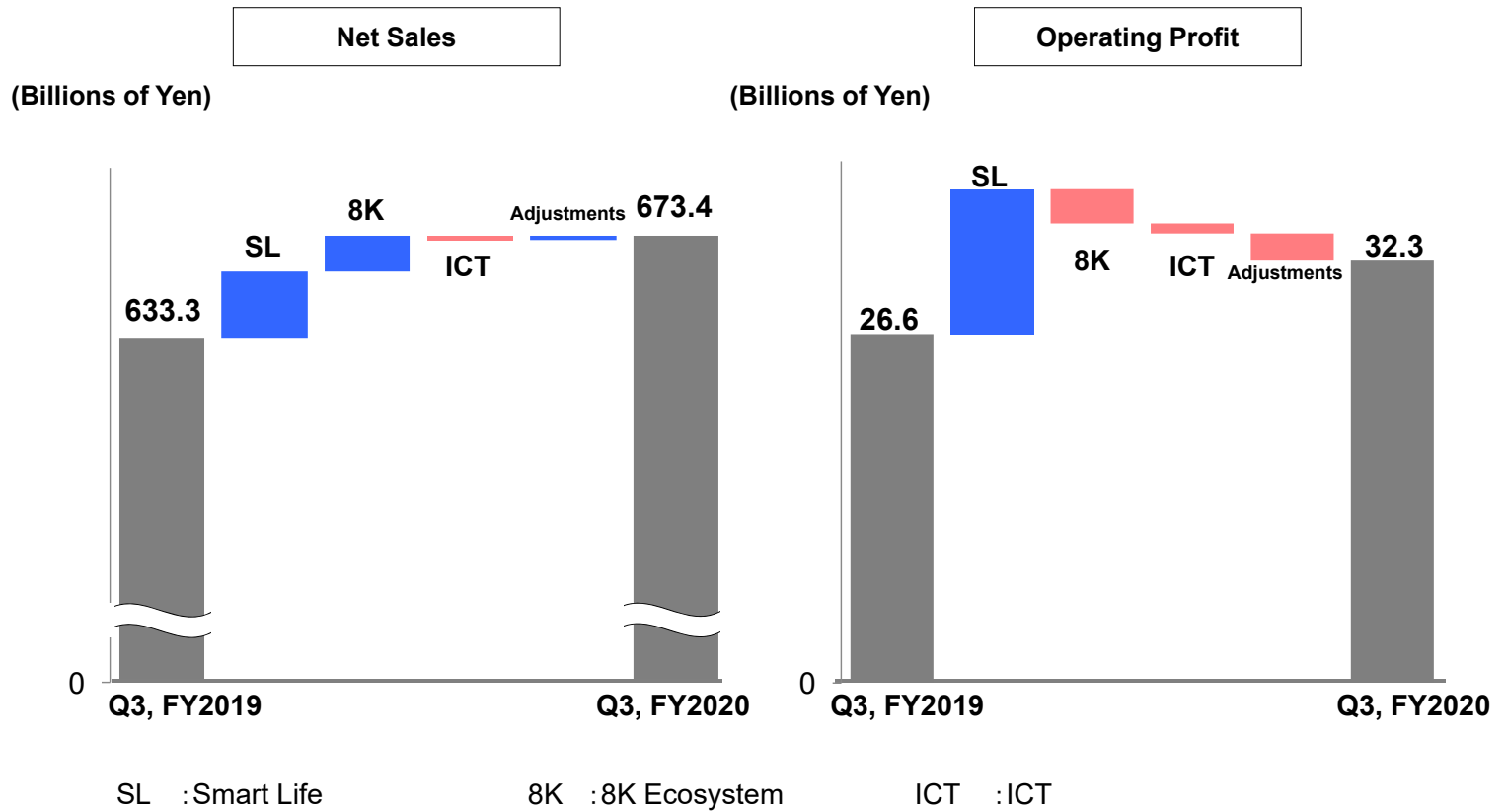


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- The next graph shows our analysis of year-on-year changes in operating profit.
- As you can see, Q3, fiscal 2020 operating profit performance included a 4 billion yen impact stemming from COVID-19.
- Excluding this factor, notable change factors included a 12.5 billion yen decrease due to lower selling prices, a 11.4 billion yen improvement due to cost reductions and model mix, a 8.1 billion yen increase due to changes in sales performance, a 3.7 billion yen increase related to overhead expenses reductions.

Sales and Operating Profit Analysis: Y on Y Change by Segment for the Third Quarter, Fiscal 2020

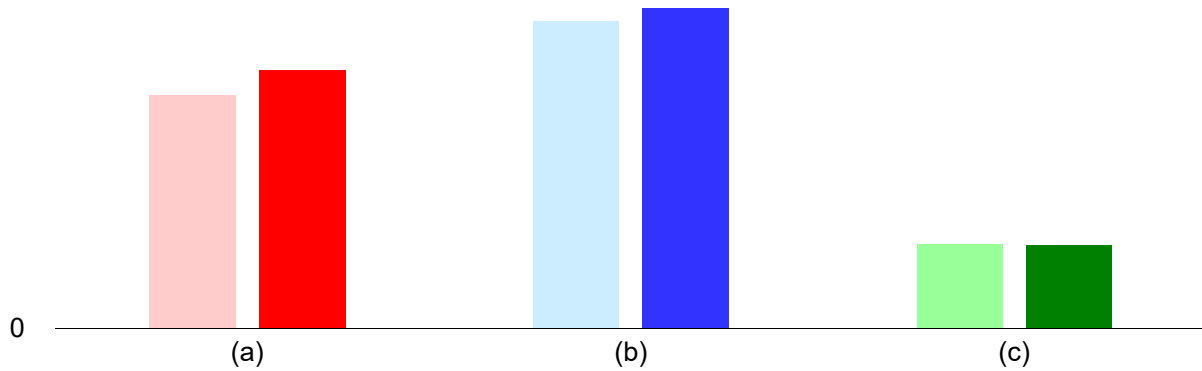


- The next graphs provide a year-on-year change analysis for net sales and operating profit.
 - While Smart Life and 8K Ecosystem sales rose, sales for ICT were lower.
- In terms of profits, although we recorded a decrease in profits for 8K Ecosystem and ICT, Smart Life recorded higher profits.

Sales by Segment

	(Billions of Yen)								Impact of CV-19
	FY2019				FY2020				
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Y on Y	
(a) Smart Life	180.3	231.1	246.0	193.1	181.5	223.8	272.6	+10.8%	0.0
(b) 8K Ecosystem	262.9	311.5	324.4	254.9	266.8	351.8	337.9	+4.2%	-13.0
(c) ICT	96.2	83.1	88.3	89.8	88.4	81.6	86.9	-1.6%	0.0
Subtotal	539.5	625.7	658.8	538.0	536.9	657.3	697.5	+5.9%	
Adjustments	-24.8	-23.3	-25.4	-26.1	-22.4	-28.3	-24.1	-	
Total	514.6	602.4	633.3	511.8	514.4	628.9	673.4	+6.3%	-13.0

Left bar: Q3, FY2019
Right bar: Q3, FY2020



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*Sales include inter-segment sales and transfers.

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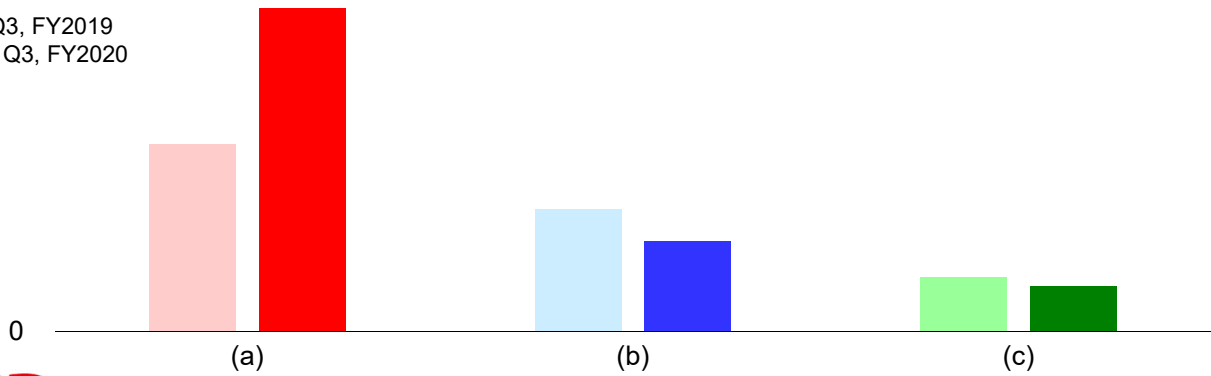
- This next slide shows sales by segment.

Operating Profit by Segment

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

	FY2019				FY2020				Impact of CV-19
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Y on Y	
(a) Smart Life	5.9 (3.3%)	11.3 (4.9%)	15.4 (6.3%)	7.1 (3.7%)	11.6 (6.4%)	16.6 (7.4%)	26.5 (9.7%)	+72.3%	0.0
(b) 8K Ecosystem	5.5 (2.1%)	11.6 (3.7%)	10.0 (3.1%)	-13.9 (-5.5%)	-2.5 (-1.0%)	6.3 (1.8%)	7.4 (2.2%)	-25.9%	-4.1
(c) ICT	7.3 (7.6%)	3.7 (4.5%)	4.4 (5.1%)	4.9 (5.6%)	4.5 (5.2%)	2.7 (3.3%)	3.7 (4.3%)	-16.0%	0.0
Subtotal	18.7 (3.5%)	26.7 (4.3%)	29.9 (4.5%)	-1.8 (-0.3%)	13.6 (2.5%)	25.7 (3.9%)	37.7 (5.4%)	+26.1%	
Adjustments	-5.5	-4.8	-3.2	-8.4	-3.8	-5.9	-5.4	-	
Total	13.2 (2.6%)	21.9 (3.6%)	26.6 (4.2%)	-10.3 (-2.0%)	9.8 (1.9%)	19.7 (3.1%)	32.3 (4.8%)	+21.3%	-4.0

Left bar: Q3, FY2019
Right bar: Q3, FY2020



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- Let's turn to the next slide, which shows operating profit by segment.

Smart Life

- Smart Life recorded significant profit growth in excess of 70% YoY, driven by strong performance in white goods and other products

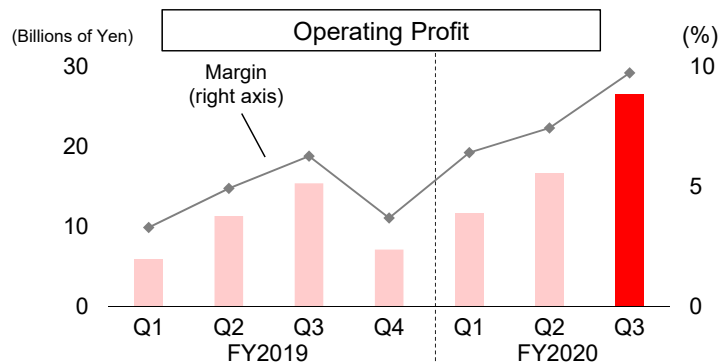
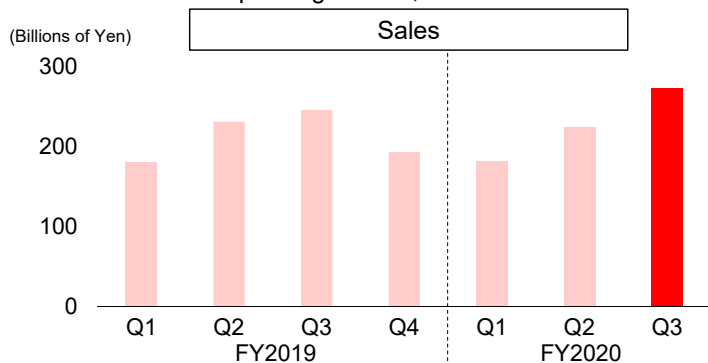
(Billions of Yen)	FY2019				FY2020				Impact of CV-19
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Y on Y	
Sales	180.3	231.1	246.0	193.1	181.5	223.8	272.6	+10.8%	0.0
Operating Profit	5.9	11.3	15.4	7.1	11.6	16.6	26.5	+72.3%	0.0
	(3.3%)	(4.9%)	(6.3%)	(3.7%)	(6.4%)	(7.4%)	(9.7%)		

■ Q3 Sales (YoY): Increase

- (Incr.) Major growth for Plasmacluster products in Japan
- (Incr.) Strong sales of refrigerators, washing machines, and cooking appliances
- (Incr.) Firm customer demand contributes to increase of Devices sales
- (Dec.) Decrease in air conditioner sales overseas due to the impact of revised import regulations, etc.

■ Q3 Operating Profit (YoY): Increase

- (Incr.) Increase in sales
- (Incr.) Improved cost performance in each business
- (Incr.) Incorporated added value into white goods



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- Please turn to the next slide. This is our performance by segment. First, I want to address our Smart Life segment.
- Q3 sales amounted to 272.6 billion yen, an increase of 10.8% year on year. In white goods, we saw major growth in Japanese sales of Plasmacluster products, while refrigerators, washing machines, and cooking appliances showed strong sales. Devices were higher year on year, driven by firm customer demand.
- Operating profit amounted to 26.5 billion yen, a significant increase in excess of 70% year on year. In addition to the increase in sales, we improved cost performance in each business steadily, while also incorporating added value into white goods.

8K Ecosystem

• Steady progress in profit recovery, despite the impact of COVID-19 and component bottlenecks

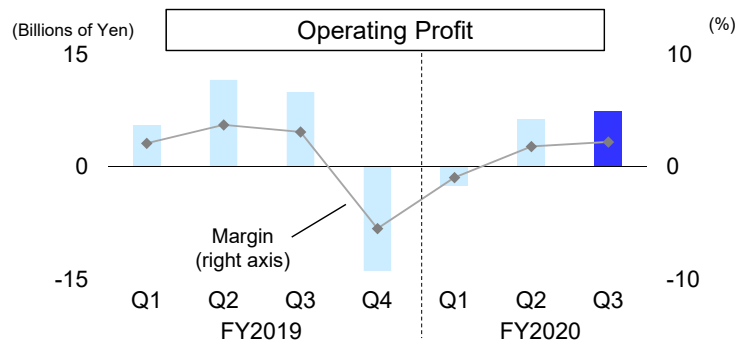
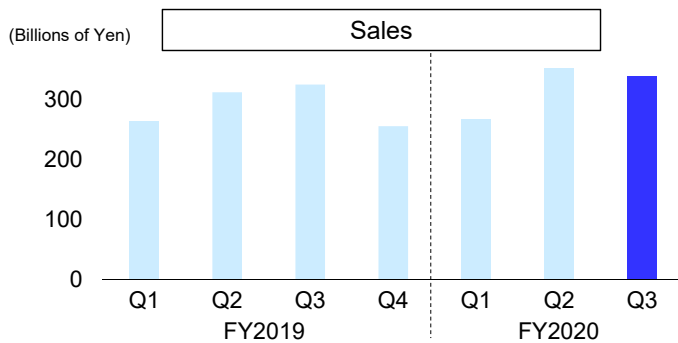
(Billions of Yen)	FY2019				FY2020				Impact of CV-19
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Y on Y	
Sales	262.9	311.5	324.4	254.9	266.8	351.8	337.9	+4.2%	-13.0
Operating Profit	5.5	11.6	10.0	-13.9	-2.5	6.3	7.4	-25.9%	-4.1
Profit	(2.1%)	(3.7%)	(3.1%)	(-5.5%)	(-1.0%)	(1.8%)	(2.2%)		

■ Q3 Sales (YoY): Increase

- (Incr.) Growth in panels for PCs, tablets, and large panels
- (Incr.) Increase in sales for finished TVs in Japan, Asia, and the Americas
- (Dec.) Automotive displays and MFPs still experiencing the negative impact of COVID-19
- (Dec.) Component bottlenecks for displays and TV business

■ Q3 Operating Profit (YoY): Decrease (increase vs. Q2)

- (Dec.) Decrease in sales of automotive displays (improvement vs. Q2)
- (Dec.) Restrained panel inventory in consideration of COVID-19 trends
- (Dec.) Decrease in MFP print volume



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- The next slide describes performance in our 8K Ecosystem.
- Q3 sales were 337.9 billion yen, up 4.2% of the same period last year. In addition to growth in panels for PCs, tablets, and large panels, there was an increase in sales for finished TVs in Japan, Asia, and the Americas. Automotive displays and MFPs continued to experience the negative impact of COVID-19, experiencing a decrease in sales. We also saw the negative impact of component bottlenecks in our displays and TV businesses.
- Operating profit amounted to 7.4 billion yen, down 25.9% year on year. While Q3 underperformed year on year, our financial performance continues to recover, and we recorded a 1.1 billion yen increase in profit compared to Q2. Profit for displays was lower year on year, despite a further recovery from Q2. This was the result of a decrease in sales of automotive displays year on year, combined with restrained panel inventories in consideration of COVID-19 trends. MFP print volume decreased due to business office closures, resulting in lower profit.

ICT

•ICT continued to record stable profits, despite the impact of a change in mobile communications business model mix

(Billions of Yen)	FY2019				FY2020				Impact of CV-19
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Y on Y	
Sales	96.2	83.1	88.3	89.8	88.4	81.6	86.9	-1.6%	0.0
Operating Profit	7.3	3.7	4.4	4.9	4.5	2.7	3.7	-16.0%	0.0
Profit	(7.6%)	(4.5%)	(5.1%)	(5.6%)	(5.2%)	(3.3%)	(4.3%)		

■ Q3 Sales (YoY): Decrease

(Dec.) Component bottlenecks, including tight conditions for semiconductors, etc.

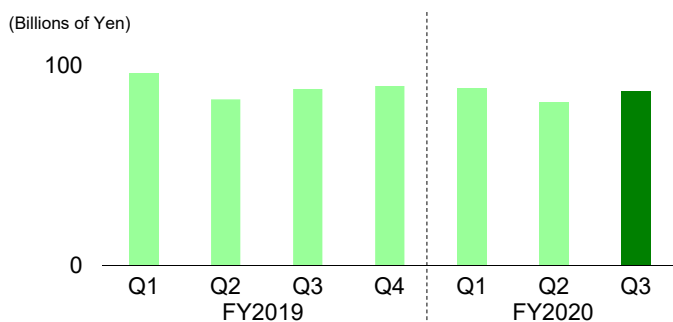
(Incr.) Progress in the introduction of products meeting market needs in the mobile communications business

(Incr.) Growth in educational PCs for *GIGA School*, other uses

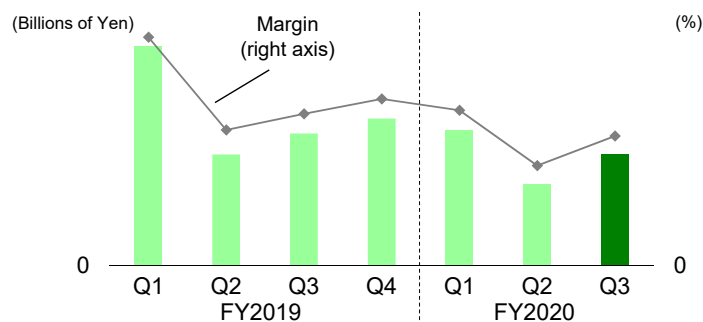
■ Q3 Operating Profit (YoY): Decrease

(Dec.) Change in smartphone model mix

Sales



Operating Profit



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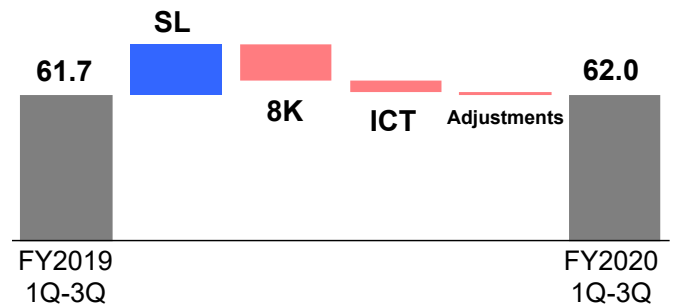
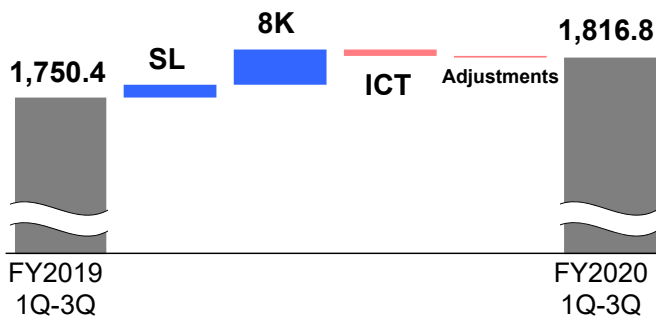
- Please turn to the next slide. This slide shows ICT performance.
- Q3 sales amounted to 86.9 billion yen, 1.6% lower year on year. Sales were slightly lower year on year due to the tight conditions related to semiconductors and bottlenecks for certain components. The mobile communications business experienced an increase in sales through the introduction of products meeting market needs, while our PC business saw steady growth in educational PCs for GIGA School and other educational areas.
- Operating profit amounted to 3.7 billion yen, 16.0% lower year on year. The mobile communications business was impacted by an increase in the ratio of mid-range models; however, both businesses continued to record stable profits.
- Smart Life, 8K Ecosystem, and ICT segments all showed recovery trends through Q3. The impact of COVID-19 and component bottlenecks continue to affect our business, while the price of raw materials has risen noticeably. However, we will continue to strive for a recovery in our business performance by incorporating higher added value into our products, strengthening our global operations, and improving our cost performance.

Cumulative Consolidated Financial Results for the Third Quarter, Fiscal 2020

	(Billions of Yen)			Impact of CV-19
	FY2019	FY2020		
	Q1-Q3	Q1-Q3	Y on Y	
Net Sales	1,750.4	1,816.8	+3.8%	-98.0
Operating Profit	61.7 (3.5%)	62.0 (3.4%)	+0.4%	-30.0
Ordinary Profit	59.7 (3.4%)	43.8 (2.4%)	-26.6%	
Profit Attributable to Owners of Parent	46.1 (2.6%)	41.1 (2.3%)	-10.8%	
Avg. Exchange Rate				
USD/JPY	107.67	105.11		
Euro/JPY	119.55	120.87		

Net Sales

Operating Profit



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- Next, let's take a look at cumulative financial performance through Q3, FY2020.
- Net sales amounted to 1,816.8 billion yen.
- Operating profit amounted to 62.0 billion yen, ordinary profit amounted to 43.8 billion yen, profit attributable to owners of parent amounted to 41.1 billion yen.

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

(Billions of Yen)

	FY2019				FY2020			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Difference (Y on Y)
Operating Profit	13.2	21.9	26.6	-10.3	9.8	19.7	32.3	+5.7
Non-operating Income (Expenses)	-1.2	-4.4	+3.6	+0.7	+1.4	-1.1	-18.3	-21.9
Interest expense	-1.2	-1.0	-1.3	-1.0	-1.2	-1.5	-1.3	-
Foreign exchange gain (loss)	+0.2	-0.7	+1.7	+1.8	+2.2	+1.3	+0.8	-0.9
Share of profit (loss) of entities accounted for using equity method	-1.2	-1.6	-0.7	-0.5	-0.6	-2.8	-15.3	-14.6
Ordinary Profit	11.9	17.4	30.3	-9.6	11.2	18.5	13.9	-16.4
Extraordinary Income (Losses)	-0.1	-0.3	-	-17.4	-0.2	-0.1	+8.6	+8.6
Gain (loss) on sale of non-current assets	+0.1	+0.5	+0.3	+1.8	+2.8	-	+2.6	+2.3
Gain on donation of non-current assets	-	-	-	-	-	-	+6.1	+6.1
Impairment loss	-0.1	-0.4	-0.5	-2.1	-0.8	-0.1	-0.1	+0.4
Loss on valuation of investment securities	-	-	-	-16.6	-2.0	-	-	-
Pretax Income	11.8	17.1	30.3	-27.0	11.0	18.4	22.5	-7.8
Income Taxes, etc.	-3.0	-4.0	-6.1	-5.3	-2.8	-2.8	-5.1	+1.0
Profit Attributable to Owners of Parent	8.7	13.1	24.2	-32.3	8.1	15.5	17.3	-6.9

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- The next slide addresses non-operating income, extraordinary income, and income taxes.
- As you can see, during Q3 of fiscal 2020, we incurred a non-operating loss of 15.3 billion yen in share of loss of entities accounted for using equity method, mainly due to the impairment loss treatment related to Sakai Display Products Corporation.

Consolidated Balance Sheets

▪ Cash and deposits amounted to 259.0 billion yen, compared to a balance of 219.8 billion yen as of Sep. 30, 2020.

▪ Net assets rose to 311.5 billion yen, while our equity ratio rose to 15.3%

				(Billions of Yen)					
		FY2019	FY2020						
		End of Mar.	End of Sep.	End of Dec.	End of Mar.	End of Sep.	End of Dec.		
Cash and deposits		225.0	219.8	259.0	Notes and accounts payable - trade	348.3	362.3	420.3	
Notes and accounts receivable - trade		423.6	475.0	505.7	Short-term loans payable	237.7	251.9	195.2	
Inventories		292.8	272.2	268.4	Current portion of bonds payable	0.0	0.0	0.0	
Other current assets		139.6	144.9	157.4	Other current liabilities	278.5	265.4	318.3	
Current Assets		1,081.1	1,112.0	1,190.6	Current Liabilities	864.5	879.6	933.9	
Property, plant and equipment		400.9	396.7	444.6	Bonds payable	0.0	0.0	0.0	
Intangible assets		45.2	44.9	45.4	Long-term loans payable	538.7	537.1	560.3	
Investments and other assets		284.5	277.3	257.0	Other non-current liabilities	137.6	124.9	131.9	
Non-current Assets		730.7	719.0	747.1	Non-current Liabilities	676.3	662.0	692.3	
Deferred Assets		0.0	0.0	0.0	Net Assets	270.9	289.4	311.5	
Total Assets		1,811.9	1,831.1	1,937.8	Total Liabilities and Net Assets	1,811.9	1,831.1	1,937.8	
Exchange Rate, End of Period									
USD/JPY		107.83	104.81	102.52	Equity Ratio	14.1%	15.2%	15.3%	
Euro/JPY		118.15	122.66	125.49	Equity	256.2	277.5	297.3	

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- The next slide provides information about our balance sheets.
- Cash and deposits as of the end of December amounted to 259.0 billion yen, compared with 219.8 billion yen as of the end of September.

In conjunction with our recovery in financial performance, net assets increased to 311.5 billion yen and our equity ratio rose to 15.3%.

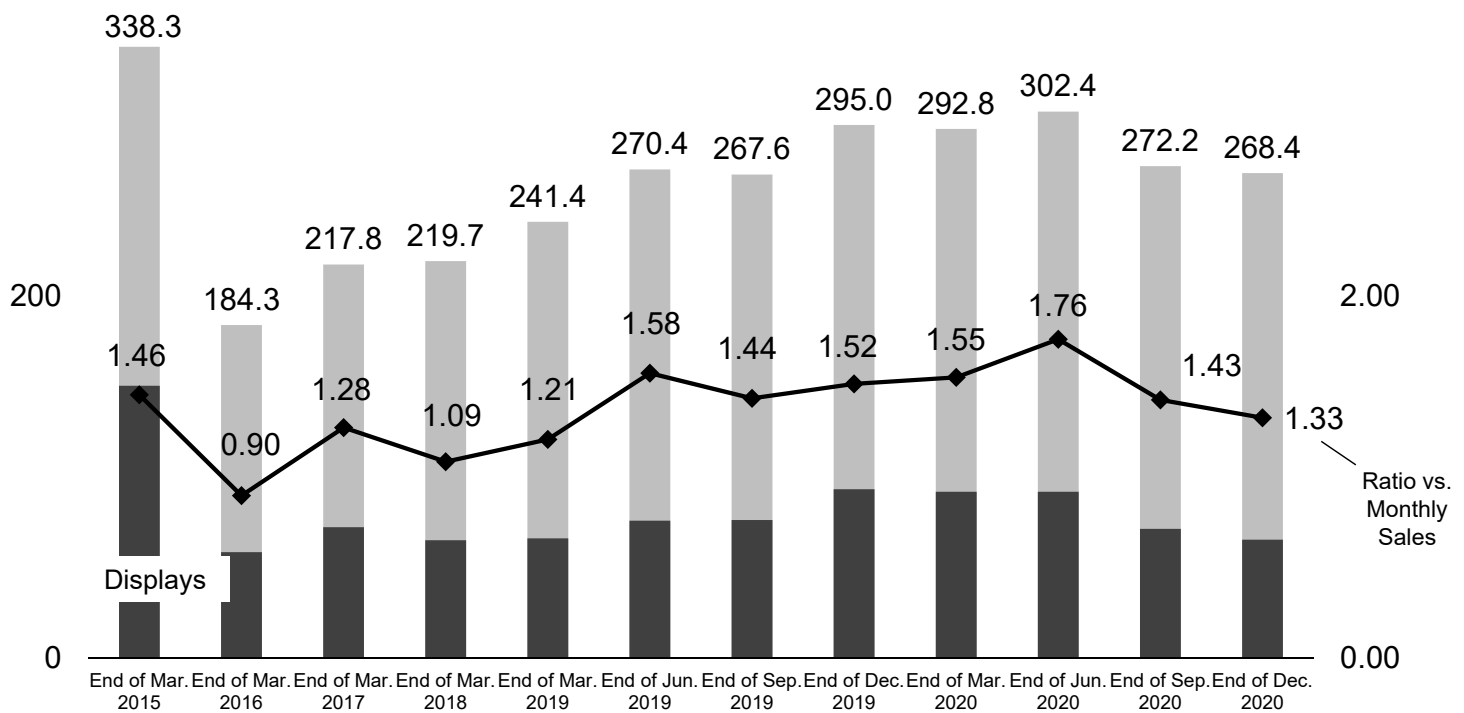
Inventory Trends

• Inventory decreased from 272.2 billion yen on September 30, 2020, to 268.4 billion yen, even with an approximately 10 billion yen impact stemming from the consolidation of Sharp NEC Display Solutions, Ltd.

• Inventory levels reflect our future sales plans, etc.

(Billions of Yen)

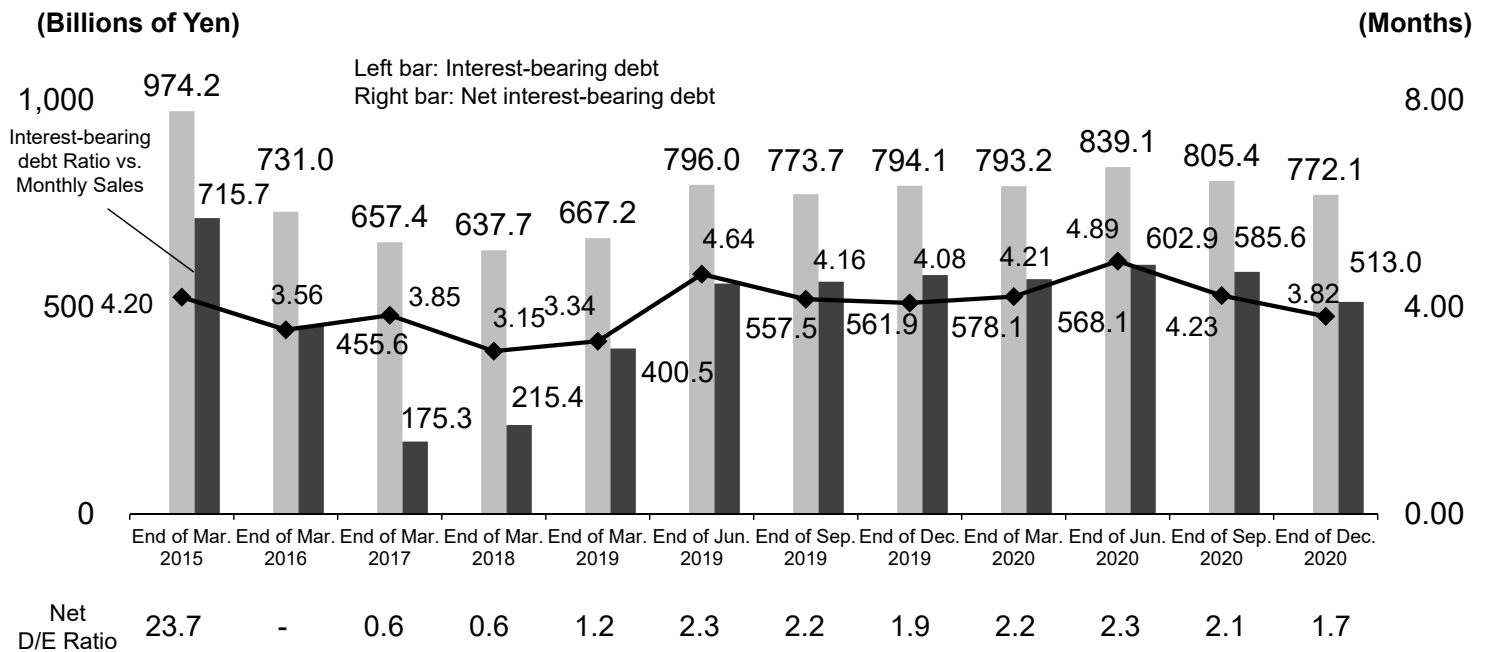
(Months)



- The next slide discusses our inventory trends.
- Inventory at the end of the Q3, fiscal 2020 amounted to 268.4 billion yen, compared to 272.2 billion yen at the end of the Q2, fiscal 2020, even with an approximately 10 billion yen impact stemming from the consolidation of Sharp NEC Display Solutions, Ltd.
Our ratio of inventory to monthly sales was 1.33 months, lower 0.10 months compared to the end of the Q2, fiscal 2020 .
- We will keep an even closer eye on changes in the business environment, including COVID-19, trends in U.S.-China trade frictions, the supply and demand environment for semiconductors, and related demand among device customers, etc., striving to maintain appropriate inventory levels.

Interest-Bearing Debt Trends

- Interest-bearing debt was 772.1 billion yen, compared to a balance of 805.4 billion yen as of Sep. 30, 2020. Interest-bearing debt to monthly sales ratio was 3.82 months, compared to 4.23 months as of Sep. 30, 2020.
- Net interest-bearing debt* was 513.0 billion yen, compared to 585.6 billion yen as of Sep. 30, 2020.



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



- Next, let's take a look at interest-bearing debt.
 - Interest-bearing debt for Q3, fiscal 2020 was 772.1 billion yen, compared to 805.4 billion yen as of the end of Q2, fiscal 2020.
- Net interest-bearing debt decreased to 513.0 billion yen, compared to 585.6 billion yen at the end of Q2, fiscal 2020.
- We will continue to optimize inventories and invest more efficiently in equipment to improve cash flows.

Fiscal 2020 Consolidated Financial Results Forecast and Dividends

- Financial results are largely in line with projections; no change to full-year forecasts
- Considering the steady recovery in financial performance, we project a 30 yen per share dividend, representing a 12 yen increase from the FY2019 dividend of 18 yen per share

	(Billions of Yen)		
	FY2019	FY2020	
	Fiscal Year	Fiscal Year Forecast	Y on Y
Net Sales	2,262.2	2,350.0	+3.9%
Operating Profit (margin)	51.4 (2.3%)	82.0 (3.5%)	+59.3%
Ordinary Profit (margin)	50.1 (2.2%)	70.0 (3.0%)	+39.5%
Profit Attributable to Owners of Parent (margin)	13.7 (0.6%)	50.0 (2.1%)	3.6-fold
			(Yen)
Dividends Per Share	18.0	30.0	
Avg. Exchange Rate			
USD/JPY	107.74		
Euro/JPY	119.32		

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- The next slide addresses fiscal 2020 consolidated financial results forecast and dividends
- Financial performance through Q3 was essentially in line with projections, and we have not made any changes to our full-year forecasts.
- Considering the steady recovery in our financial performance, we plan to increase our annual dividend by 12 yen, from 18 yen in fiscal 2019 to 30 yen per share for fiscal 2020.

III. Supplementary Data

- Supplementary materials include a summary of net sales and operating profit by segment, as well as other information.
- Financial performance recovered steadily throughout Q3, despite the lack of resolution to the COVID-19 pandemic.
- However, as reported at the beginning of our presentation, we confirmed that inappropriate accounting took place at a subsidiary.
- In addition to improving our business performance and financial condition, we also consider governance, employee safety, and social contribution to be important issues. Although we have been working on these issues in our management, we regret that our efforts have not been completely sufficient. We will pay even greater attention to ESG as we conduct our management moving forward.
- Thank you for your attention.

Consolidated Financial Results (Revised)

(Billions of Yen)

	FY2018			FY2019			FY2020		
	First Half	Second Half	Fiscal Year	First Half	Second Half	Fiscal Year	First Half	Second Half Forecast	Fiscal Year Forecast
Net Sales	1,125.2	1,269.5	2,394.7	1,117.1	1,145.1	2,262.2	1,143.4	1,206.5	2,350.0
Operating Profit	42.0	35.3	77.3	35.1	16.3	51.4	29.6	52.3	82.0
(margin)	(3.7%)	(2.8%)	(3.2%)	(3.1%)	(1.4%)	(2.3%)	(2.6%)	(4.3%)	(3.5%)
Ordinary Profit	38.2	24.6	62.8	29.4	20.7	50.1	29.8	40.1	70.0
(margin)	(3.4%)	(1.9%)	(2.6%)	(2.6%)	(1.8%)	(2.2%)	(2.6%)	(3.3%)	(3.0%)
Profit Attributable to Owners of Parent	36.2	27.7	64.0	21.8	-8.1	13.7	23.7	26.2	50.0
(margin)	(3.2%)	(2.2%)	(2.7%)	(2.0%)	(-0.7%)	(0.6%)	(2.1%)	(2.2%)	(2.1%)

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Consolidated Financial Results (Before Revision)

(Billions of Yen)

	FY2018			FY2019			FY2020
	First Half	Second Half	Fiscal Year	First Half	Second Half	Fiscal Year	First Half
Net Sales	1,129.0	1,271.0	2,400.0	1,120.6	1,150.5	2,271.2	1,142.1
Operating Profit	47.0	37.1	84.1	36.9	15.8	52.7	27.5
(margin)	(4.2%)	(2.9%)	(3.5%)	(3.3%)	(1.4%)	(2.3%)	(2.4%)
Ordinary Profit	43.2	25.7	69.0	33.1	22.4	55.5	24.2
(margin)	(3.8%)	(2.0%)	(2.9%)	(3.0%)	(1.9%)	(2.4%)	(2.1%)
Profit Attributable to Owners of Parent	40.9	33.2	74.2	27.3	-6.4	20.9	22.5
(margin)	(3.6%)	(2.6%)	(3.1%)	(2.4%)	(-0.6%)	(0.9%)	(2.0%)

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Consolidated Quarterly Financial Results (Revised)

	(Billions of Yen)											
	FY2018				FY2019				FY2020			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	
Net Sales	533.8	591.3	644.9	624.5	514.6	602.4	633.3	511.8	514.4	628.9	673.4	
Operating Profit	24.8	17.2	24.3	10.9	13.2	21.9	26.6	-10.3	9.8	19.7	32.3	
(margin)	(4.6%)	(2.9%)	(3.8%)	(1.8%)	(2.6%)	(3.6%)	(4.2%)	(-2.0%)	(1.9%)	(3.1%)	(4.8%)	
Ordinary Profit	21.2	16.9	21.9	2.6	11.9	17.4	30.3	-9.6	11.2	18.5	13.9	
(margin)	(4.0%)	(2.9%)	(3.4%)	(0.4%)	(2.3%)	(2.9%)	(4.8%)	(-1.9%)	(2.2%)	(3.0%)	(2.1%)	
Profit Attributable to Owners of Parent	19.2	17.0	25.6	2.0	8.7	13.1	24.2	-32.3	8.1	15.5	17.3	
(margin)	(3.6%)	(2.9%)	(4.0%)	(0.3%)	(1.7%)	(2.2%)	(3.8%)	(-6.3%)	(1.6%)	(2.5%)	(2.6%)	

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Consolidated Quarterly Financial Results (Before Revision)

	(Billions of Yen)									
	FY2018				FY2019				FY2020	
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
Net Sales	533.8	595.1	642.5	628.5	514.9	605.6	634.9	515.6	517.2	624.8
Operating Profit	24.8	22.2	21.2	15.8	14.6	22.3	29.4	-13.6	9.0	18.5
(margin)	(4.6%)	(3.7%)	(3.3%)	(2.5%)	(2.8%)	(3.7%)	(4.6%)	(-2.6%)	(1.8%)	(3.0%)
Ordinary Profit	21.2	21.9	18.8	6.9	13.9	19.1	31.0	-8.5	7.7	16.4
(margin)	(4.0%)	(3.7%)	(2.9%)	(1.1%)	(2.7%)	(3.2%)	(4.9%)	(-1.7%)	(1.5%)	(2.6%)
Profit Attributable to Owners of Parent	19.2	21.7	22.1	11.1	12.5	14.8	25.0	-31.4	7.9	14.5
(margin)	(3.6%)	(3.7%)	(3.4%)	(1.8%)	(2.4%)	(2.5%)	(3.9%)	(-6.1%)	(1.5%)	(2.3%)

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Consolidated Balance Sheets (Revised)

	FY2020		
	End of Jun.	End of Sep.	End of Dec.
Cash and deposits	236.1	219.8	259.0
Notes and accounts receivable - trade	408.5	475.0	505.7
Inventories	302.4	272.2	268.4
Other current assets	148.3	144.9	157.4
Current Assets	1,095.5	1,112.0	1,190.6
Property, plant and equipment	396.1	396.7	444.6
Intangible assets	45.6	44.9	45.4
Investments and other assets	285.8	277.3	257.0
Non-current Assets	727.6	719.0	747.1
Deferred Assets	0.0	0.0	0.0
Total Assets	1,823.2	1,831.1	1,937.8
Exchange Rate, End of Period			
USD/JPY	106.74	104.81	102.52
Euro/JPY	119.55	122.66	125.49

	(Billions of Yen)		
	FY2020		
	End of Jun.	End of Sep.	End of Dec.
Notes and accounts payable – trade	335.3	362.3	420.3
Short-term loans payable	285.9	251.9	195.2
Current portion of bonds payable	0.0	0.0	0.0
Other current liabilities	252.2	265.4	318.3
Current Liabilities	873.5	879.6	933.9
Bonds payable	0.0	0.0	0.0
Long-term loans payable	536.8	537.1	560.3
Other non-current liabilities	136.3	124.9	131.9
Non-current Liabilities	673.1	662.0	692.3
Net Assets	276.5	289.4	311.5
Total Liabilities and Net Assets	1,823.2	1,831.1	1,937.8
Equity Ratio			
	14.4%	15.2%	15.3%
Equity			
	262.2	277.5	297.3

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Consolidated Balance Sheets (Before Revision)

	FY2020	
	End of Jun.	End of Sep.
Cash and deposits	236.1	219.8
Notes and accounts receivable - trade	414.7	476.3
Inventories	301.4	275.0
Other current assets	147.7	145.2
Current Assets	1,100.0	1,116.5
Property, plant and equipment	406.4	406.7
Intangible assets	45.8	45.2
Investments and other assets	285.6	276.2
Non-current Assets	737.9	728.2
Deferred Assets	0.0	0.0
Total Assets	1,837.9	1,844.7
Exchange Rate, End of Period		
USD/JPY	106.74	104.81
Euro/JPY	119.55	122.66

	(Billions of Yen)	
	FY2020	
	End of Jun.	End of Sep.
Notes and accounts payable – trade	335.3	362.8
Short-term loans payable	285.9	251.9
Current portion of bonds payable	0.0	0.0
Other current liabilities	245.7	258.9
Current Liabilities	867.0	873.6
Bonds payable	0.0	0.0
Long-term loans payable	536.8	537.1
Other non-current liabilities	136.1	124.7
Non-current Liabilities	672.9	661.8
Net Assets	297.9	309.2
Total Liabilities and Net Assets	1,837.9	1,844.7
Equity Ratio		
	15.2%	15.9%
Equity		
	278.9	293.2

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Consolidated Balance Sheets (Revised)

(Billions of Yen)

	FY2019			
	End of Jun.	End of Sep.	End of Dec.	End of Mar.
Cash and deposits	238.4	211.7	215.9	225.0
Notes and accounts receivable - trade	491.1	503.7	505.4	423.6
Inventories	270.4	267.6	295.0	292.8
Other current assets	108.4	118.9	128.3	139.6
Current Assets	1,108.5	1,102.0	1,144.8	1,081.1
Property, plant and equipment	396.7	402.4	414.6	400.9
Intangible assets	39.1	43.1	44.4	45.2
Investments and other assets	285.3	300.1	309.1	284.5
Non-current Assets	721.2	745.8	768.2	730.7
Deferred Assets	0.0	0.0	0.0	0.0
Total Assets	1,829.7	1,847.8	1,913.0	1,811.9
Exchange Rate, End of Period				
USD/JPY	106.75	106.96	108.55	107.83
Euro/JPY	120.96	116.54	121.01	118.15

	FY2019			
	End of Jun.	End of Sep.	End of Dec.	End of Mar.
Notes and accounts payable – trade	379.2	379.4	392.7	348.3
Short-term loans payable	205.9	219.2	237.0	237.7
Current portion of bonds payable	30.0	0.0	0.0	0.0
Other current liabilities	288.3	303.8	296.0	278.5
Current Liabilities	903.5	902.5	925.8	864.5
Bonds payable	0.0	0.0	0.0	0.0
Long-term loans payable	537.7	537.3	539.0	538.7
Other non-current liabilities	137.8	135.5	134.4	137.6
Non-current Liabilities	675.5	672.9	673.4	676.3
Net Assets	250.6	272.3	313.7	270.9
Total Liabilities and Net Assets	1,829.7	1,847.8	1,913.0	1,811.9
Equity Ratio				
Equity Ratio	13.0%	14.0%	15.6%	14.1%
Equity				
Equity	237.3	258.6	297.5	256.2

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Consolidated Balance Sheets (Before Revision)

(Billions of Yen)

	FY2019			
	End of Jun.	End of Sep.	End of Dec.	End of Mar.
Cash and deposits	238.4	211.7	215.9	225.0
Notes and accounts receivable - trade	497.1	510.0	511.9	429.1
Inventories	271.9	268.1	298.3	294.7
Other current assets	110.3	120.7	128.2	139.6
Current Assets	1,117.9	1,110.7	1,154.4	1,088.6
Property, plant and equipment	405.8	410.8	423.1	410.7
Intangible assets	39.3	43.3	44.6	45.5
Investments and other assets	283.3	300.3	308.3	287.4
Non-current Assets	728.5	754.5	776.0	743.7
Deferred Assets	0.0	0.0	0.0	0.0
Total Assets	1,846.4	1,865.2	1,930.4	1,832.3
Exchange Rate, End of Period				
USD/JPY	106.75	106.96	108.55	107.83
Euro/JPY	120.96	116.54	121.01	118.15

	FY2019			
	End of Jun.	End of Sep.	End of Dec.	End of Mar.
Notes and accounts payable – trade	379.2	379.4	392.7	349.2
Short-term loans payable	205.9	219.2	237.0	237.7
Current portion of bonds payable	30.0	0.0	0.0	0.0
Other current liabilities	288.6	300.8	291.6	274.0
Current Liabilities	903.9	899.5	921.4	861.0
Bonds payable	0.0	0.0	0.0	0.0
Long-term loans payable	537.7	537.3	539.0	538.7
Other non-current liabilities	137.3	135.2	134.2	137.4
Non-current Liabilities	675.1	672.5	673.3	676.1
Net Assets	267.3	293.1	335.7	295.1
Total Liabilities and Net Assets	1,846.4	1,865.2	1,930.4	1,832.3
Equity Ratio				
Equity Ratio	13.5%	14.7%	16.3%	15.0%
Equity				
Equity	248.7	273.8	313.7	275.3

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Consolidated Balance Sheets (Revised)

(Billions of Yen)

	FY2018			
	End of Jun.	End of Sep.	End of Dec.	End of Mar.
Cash and deposits	305.2	294.3	295.7	266.6
Notes and accounts receivable - trade	442.1	509.0	539.2	534.6
Inventories	252.0	230.9	277.7	241.4
Other current assets	120.8	109.0	105.2	88.8
Current Assets	1,120.3	1,143.3	1,218.0	1,131.6
Property, plant and equipment	422.7	425.7	420.4	395.6
Intangible assets	45.8	45.3	43.9	39.5
Investments and other assets	244.8	259.8	280.4	281.7
Non-current Assets	713.3	730.9	744.8	716.9
Deferred Assets	0.0	0.0	0.0	0.0
Total Assets	1,833.7	1,874.2	1,962.9	1,848.5
Exchange Rate, End of Period				
USD/JPY	109.54	112.58	109.91	110.01
Euro/JPY	126.38	130.65	125.38	123.06

	FY2018			
	End of Jun.	End of Sep.	End of Dec.	End of Mar.
Notes and accounts payable – trade	385.3	400.6	467.4	410.1
Short-term loans payable	83.2	68.6	68.3	81.4
Current portion of bonds payable	10.0	40.0	40.0	30.0
Other current liabilities	272.2	266.6	269.5	290.2
Current Liabilities	750.8	775.9	845.3	811.8
Bonds payable	30.0	0.0	0.0	0.0
Long-term loans payable	506.7	529.0	528.6	538.2
Other non-current liabilities	142.4	141.4	144.3	141.1
Non-current Liabilities	679.2	670.4	673.0	679.3
Net Assets	403.6	427.9	444.5	357.3
Total Liabilities and Net Assets	1,833.7	1,874.2	1,962.9	1,848.5
Equity Ratio				
Equity Ratio	20.9%	21.6%	21.6%	18.5%
Equity				
Equity	382.3	404.4	423.8	341.4

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Consolidated Balance Sheets (Before Revision)

(Billions of Yen)

	FY2018			
	End of Jun.	End of Sep.	End of Dec.	End of Mar.
Cash and deposits	305.2	294.3	295.7	266.6
Notes and accounts receivable - trade	442.1	512.7	540.6	539.9
Inventories	252.0	232.6	278.3	243.8
Other current assets	120.8	109.0	105.2	90.9
Current Assets	1,120.3	1,148.8	1,220.0	1,141.3
Property, plant and equipment	422.7	425.2	419.9	405.0
Intangible assets	45.8	45.3	43.9	39.6
Investments and other assets	244.8	258.7	278.8	280.2
Non-current Assets	713.3	729.3	742.6	724.9
Deferred Assets	0.0	0.0	0.0	0.0
Total Assets	1,833.7	1,878.1	1,962.6	1,866.3
Exchange Rate, End of Period				
USD/JPY	109.54	112.58	109.91	110.01
Euro/JPY	126.38	130.65	125.38	123.06

	FY2018			
	End of Jun.	End of Sep.	End of Dec.	End of Mar.
Notes and accounts payable – trade	385.3	400.6	467.4	410.3
Short-term loans payable	83.2	68.6	68.3	81.4
Current portion of bonds payable	10.0	40.0	40.0	30.0
Other current liabilities	272.2	266.7	269.1	291.3
Current Liabilities	750.8	776.0	844.9	813.1
Bonds payable	30.0	0.0	0.0	0.0
Long-term loans payable	506.7	529.0	528.6	538.2
Other non-current liabilities	142.4	141.4	144.3	142.5
Non-current Liabilities	679.2	670.4	673.0	680.7
Net Assets	403.6	431.7	444.6	372.4
Total Liabilities and Net Assets	1,833.7	1,878.1	1,962.6	1,866.3
Equity Ratio				
Equity Ratio	20.9%	21.7%	21.6%	18.8%
Equity				
Equity	382.3	408.0	423.2	350.6

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Sales by Segment (Revised)

(Billions of Yen)

	FY2018			FY2019			FY2020
	First Half	Second Half	Fiscal Year	First Half	Second Half	Fiscal Year	First Half
Smart Life	439.3	451.8	891.1	411.4	439.2	850.6	405.4
8K Ecosystem	625.1	690.6	1,315.7	574.4	579.3	1,153.8	618.6
ICT	99.5	181.3	280.9	179.3	178.2	357.6	170.1
Subtotal	1,164.0	1,323.7	2,487.7	1,165.2	1,196.8	2,362.1	1,194.2
Adjustments	-38.7	-54.2	-93.0	-48.1	-51.6	-99.8	-50.8
Total	1,125.2	1,269.5	2,394.7	1,117.1	1,145.1	2,262.2	1,143.4

*Sales include inter-segment sales and transfers.

*Figures for FY2018 are based on segment classifications as of the end of FY2019; figures for FY2019 and beyond are based on segment classifications as of the end of Q3 FY2020

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Sales by Segment (Before Revision)

(Billions of Yen)

	FY2018			FY2019			FY2020
	First Half	Second Half	Fiscal Year	First Half	Second Half	Fiscal Year	First Half
Smart Life	439.4	459.1	898.6	415.0	441.5	856.5	410.4
8K Ecosystem	628.7	684.7	1,313.5	574.4	582.8	1,157.2	611.7
ICT	99.5	181.3	280.9	179.3	177.8	357.2	170.5
Subtotal	1,167.8	1,325.2	2,493.0	1,168.8	1,202.2	2,371.0	1,192.8
Adjustments	-38.7	-54.2	-93.0	-48.1	-51.6	-99.8	-50.6
Total	1,129.0	1,271.0	2,400.0	1,120.6	1,150.5	2,271.2	1,142.1

*Sales include inter-segment sales and transfers.

*Figures for FY2018 are based on segment classifications as of the end of FY2019; figures for FY2019 and beyond are based on segment classifications as of the end of the first half of FY2020.

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Operating Profit by Segment (Revised)

	(Billions of Yen)						
	FY2018			FY2019			FY2020
	First Half	Second Half	Fiscal Year	First Half	Second Half	Fiscal Year	First Half
Smart Life	14.4 (3.3%)	10.8 (2.4%)	25.2 (2.8%)	17.2 (4.2%)	22.5 (5.1%)	39.8 (4.7%)	28.3 (7.0%)
8K Ecosystem	22.7 (3.6%)	24.0 (3.5%)	46.8 (3.6%)	17.1 (3.0%)	-3.9 (-0.7%)	13.2 (1.1%)	3.8 (0.6%)
ICT	9.4 (9.5%)	11.3 (6.3%)	20.8 (7.4%)	11.0 (6.2%)	9.4 (5.3%)	20.5 (5.7%)	7.2 (4.3%)
Subtotal	46.6 (4.0%)	46.2 (3.5%)	92.9 (3.7%)	45.5 (3.9%)	28.0 (2.3%)	73.5 (3.1%)	39.4 (3.3%)
Adjustments	-4.6	-10.9	-15.5	-10.4	-11.7	-22.1	-9.7
Total	42.0 (3.7%)	35.3 (2.8%)	77.3 (3.2%)	35.1 (3.1%)	16.3 (1.4%)	51.4 (2.3%)	29.6 (2.6%)

*Sales include inter-segment sales and transfers.

*Figures for FY2018 are based on segment classifications as of the end of FY2019; figures for FY2019 and beyond are based on segment classifications as of the end of Q3 FY2020

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Operating Profit by Segment (Before Revision)

	(Billions of Yen)						
	FY2018			FY2019			FY2020
	First Half	Second Half	Fiscal Year	First Half	Second Half	Fiscal Year	First Half
Smart Life	14.8 (3.4%)	16.5 (3.6%)	31.4 (3.5%)	18.6 (4.5%)	21.1 (4.8%)	39.8 (4.6%)	29.5 (7.2%)
8K Ecosystem	27.3 (4.3%)	20.0 (2.9%)	47.3 (3.6%)	17.6 (3.1%)	-2.6 (-0.5%)	14.9 (1.3%)	0.1 (0.0%)
ICT	9.4 (9.5%)	11.3 (6.3%)	20.8 (7.4%)	11.0 (6.2%)	9.0 (5.1%)	20.1 (5.6%)	7.6 (4.5%)
Subtotal	51.6 (4.4%)	48.0 (3.6%)	99.6 (4.0%)	47.3 (4.1%)	27.5 (2.3%)	74.9 (3.2%)	37.3 (3.1%)
Adjustments	-4.6	-10.9	-15.5	-10.4	-11.7	-22.1	-9.7
Total	47.0 (4.2%)	37.1 (2.9%)	84.1 (3.5%)	36.9 (3.3%)	15.8 (1.4%)	52.7 (2.3%)	27.5 (2.4%)

*Sales include inter-segment sales and transfers.

*Figures for FY2018 are based on segment classifications as of the end of FY2019; figures for FY2019 and beyond are based on segment classifications as of the end of the first half of FY2020.

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Quarterly Sales by Segment (Revised)

(Billions of Yen)

	FY2018				FY2019				FY2020		
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3
Smart Life	203.6	235.6	233.2	218.5	180.3	231.1	246.0	193.1	181.5	223.8	272.6
8K Ecosystem	291.1	333.9	353.2	337.3	262.9	311.5	324.4	254.9	266.8	351.8	337.9
ICT	56.4	43.1	77.7	103.5	96.2	83.1	88.3	89.8	88.4	81.6	86.9
Subtotal	551.3	612.6	664.3	659.4	539.5	625.7	658.8	538.0	536.9	657.3	697.5
Adjustments	-17.4	-21.3	-19.3	-34.8	-24.8	-23.3	-25.4	-26.1	-22.4	-28.3	-24.1
Total	533.8	591.3	644.9	624.5	514.6	602.4	633.3	511.8	514.4	628.9	673.4

*Sales include inter-segment sales and transfers.

*Figures for FY2018 are based on segment classifications as of the end of FY2019; figures for FY2019 and beyond are based on segment classifications as of the end of Q3 FY2020

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Quarterly Sales by Segment (Before Revision)

(Billions of Yen)

	FY2018				FY2019				FY2020	
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
Smart Life	203.6	235.7	233.6	225.5	181.0	233.9	247.6	193.9	184.5	225.9
8K Ecosystem	291.1	337.6	350.4	334.2	262.5	311.8	324.3	258.4	267.1	344.6
ICT	56.4	43.1	77.7	103.5	96.2	83.1	88.3	89.4	88.3	82.1
Subtotal	551.3	616.4	661.8	663.4	539.8	628.9	660.3	541.8	539.9	652.8
Adjustments	-17.4	-21.3	-19.3	-34.8	-24.8	-23.3	-25.4	-26.1	-22.7	-27.9
Total	533.8	595.1	642.5	628.5	514.9	605.6	634.9	515.6	517.2	624.8

*Sales include inter-segment sales and transfers.

*Figures for FY2018 are based on segment classifications as of the end of FY2019; figures for FY2019 and beyond are based on segment classifications as of the end of the first half of FY2020.

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Quarterly Operating Profit by Segment (Revised)

	(Billions of Yen)											
	FY2018				FY2019				FY2020			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	
Smart Life	5.7	8.6	9.8	0.9	5.9	11.3	15.4	7.1	11.6	16.6	26.5	
	(2.8%)	(3.7%)	(4.2%)	(0.4%)	(3.3%)	(4.9%)	(6.3%)	(3.7%)	(6.4%)	(7.4%)	(9.7%)	
8K Ecosystem	14.1	8.6	17.7	6.3	5.5	11.6	10.0	-13.9	-2.5	6.3	7.4	
	(4.9%)	(2.6%)	(5.0%)	(1.9%)	(2.1%)	(3.7%)	(3.1%)	(-5.5%)	(-1.0%)	(1.8%)	(2.2%)	
ICT	7.2	2.2	2.7	8.6	7.3	3.7	4.4	4.9	4.5	2.7	3.7	
	(12.8%)	(5.3%)	(3.5%)	(8.3%)	(7.6%)	(4.5%)	(5.1%)	(5.6%)	(5.2%)	(3.3%)	(4.3%)	
Subtotal	27.0	19.5	30.3	15.9	18.7	26.7	29.9	-1.8	13.6	25.7	37.7	
	(4.9%)	(3.2%)	(4.6%)	(2.4%)	(3.5%)	(4.3%)	(4.5%)	(-0.3%)	(2.5%)	(3.9%)	(5.4%)	
Adjustments	-2.2	-2.3	-5.9	-4.9	-5.5	-4.8	-3.2	-8.4	-3.8	-5.9	-5.4	
Total	24.8	17.2	24.3	10.9	13.2	21.9	26.6	-10.3	9.8	19.7	32.3	
	(4.6%)	(2.9%)	(3.8%)	(1.8%)	(2.6%)	(3.6%)	(4.2%)	(-2.0%)	(1.9%)	(3.1%)	(4.8%)	

*Sales include inter-segment sales and transfers.

*Figures for FY2018 are based on segment classifications as of the end of FY2019; figures for FY2019 and beyond are based on segment classifications as of the end of Q3 FY2020

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Quarterly Operating Profit by Segment (Before Revision)

	(Billions of Yen)									
	FY2018				FY2019				FY2020	
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
Smart Life	5.7	9.0	11.2	5.3	6.2	12.3	16.4	4.6	13.4	16.1
	(2.8%)	(3.9%)	(4.8%)	(2.4%)	(3.5%)	(5.3%)	(6.7%)	(2.4%)	(7.3%)	(7.1%)
8K Ecosystem	14.1	13.1	13.2	6.8	6.5	11.0	11.7	-14.4	-4.9	5.0
	(4.9%)	(3.9%)	(3.8%)	(2.1%)	(2.5%)	(3.5%)	(3.6%)	(-5.6%)	(-1.9%)	(1.5%)
ICT	7.2	2.2	2.7	8.6	7.3	3.7	4.4	4.5	4.4	3.2
	(12.8%)	(5.3%)	(3.5%)	(8.3%)	(7.6%)	(4.5%)	(5.1%)	(5.1%)	(5.0%)	(4.0%)
Subtotal	27.0	24.5	27.2	20.8	20.1	27.2	32.7	-5.1	12.9	24.4
	(4.9%)	(4.0%)	(4.1%)	(3.1%)	(3.7%)	(4.3%)	(5.0%)	(-1.0%)	(2.4%)	(3.7%)
Adjustments	-2.2	-2.3	-5.9	-4.9	-5.5	-4.8	-3.2	-8.4	-3.8	-5.9
Total	24.8	22.2	21.2	15.8	14.6	22.3	29.4	-13.6	9.0	18.5
	(4.6%)	(3.7%)	(3.3%)	(2.5%)	(2.8%)	(3.7%)	(4.6%)	(-2.6%)	(1.8%)	(3.0%)

*Sales include inter-segment sales and transfers.

*Figures for FY2018 are based on segment classifications as of the end of FY2019; figures for FY2019 and beyond are based on segment classifications as of the end of the first half of FY2020.

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Capital Investment / Depreciation and Amortization, etc.

(Billions of Yen)

	FY2019			FY2020		
	First Half	Second Half	Fiscal Year	First Half	Second Half Forecast	Fiscal Year Forecast
Capital Investment	29.5	31.0	60.5	21.8	78.2	100.0
Displays	10.2	9.1	19.4	6.4	58.6	65.0
Depreciation and Amortization	29.7	35.3	65.0	29.6	40.4	70.0
R&D Expenditures	49.9	50.6	100.5	43.0	62.0	105.0

(Yen)

Avg. Exchange Rate	FY2019			FY2020	
	First Half	Second Half	Fiscal Year	First Half	Second Half Forecast
US Dollar	107.63	107.85	107.74	105.92	105.00
Euro	119.91	118.72	119.32	119.79	120.00

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Quarterly Capital Investment and Depreciation, etc.

(Billions of Yen)

	FY2019				FY2020		
	Q1	Q2	Q3	Q4	Q1	Q2	Q3
Capital Investment	9.2	20.3	23.9	7.0	10.1	11.6	60.7
Displays	3.6	6.6	5.5	3.6	4.4	2.0	51.9
Depreciation and Amortization	14.5	15.1	17.6	17.7	15.2	14.4	16.4
R&D Expenditures	28.9	21.0	24.9	25.6	20.3	22.6	21.9

(Yen)

Avg. Exchange Rate	FY2019				FY2020		
	Q1	Q2	Q3	Q4	Q1	Q2	Q3
US Dollar	108.90	106.35	107.76	107.94	106.62	105.22	103.51
Euro	121.99	117.84	118.82	118.62	116.97	122.61	123.03

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Be Original.

