

Consolidated Financial Results for the Second Quarter, Fiscal 2021

I . Consolidated Financial Results for the First Half, Fiscal 2021

Consolidated Financial Results for the Second Quarter, Fiscal 2021

Consolidated Financial Results Forecast for Fiscal 2021

II . Supplementary Data

SHARP CORPORATION

November 4, 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, 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.

*Segment Name Abbreviations:

Smart Life: SL 8K Ecosystem: 8K ICT: ICT Display Device: DD Electronic Device: ED

I . Consolidated Financial Results for the First Half, Fiscal 2021

Consolidated Financial Results for the Second Quarter, Fiscal 2021

Consolidated Financial Results Forecast for Fiscal 2021

Consolidated Financial Results

- First-half net sales and profits outperformed results from the same period in the previous year. Ordinary profit and bottom-line profit rose significantly at 1.7 times and 1.8 times, respectively.
- Q2 fiscal 2021 net sales were lower year on year, mainly due to the re-emergence of COVID-19 and disruptions in the supply chain. However, every profit measure rose, and bottom-line profit was 1.3 times higher due to steady progress in profitability improvements.
- White goods continued to maintain an over 10% profit margin, while display devices saw a significant recovery in profit.
- We did not change our full-year forecast for fiscal 2021, as business performance is progressing in line with our expectations at the beginning of the fiscal year.

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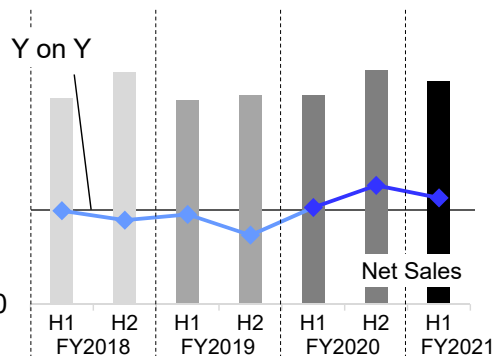
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- First, let's look at an overview of our consolidated financial results.
- First-half net sales and all profit measures outperformed results from the same period in the previous year. Ordinary profit and bottom-line profit rose significantly at 1.7 times and 1.8 times, respectively.
- Q2 fiscal 2021 net sales were lower year on year, mainly due to the re-emergence of COVID-19 and disruptions in the supply chain. However, every profit measure rose, and bottom-line profit was 1.3 times higher due to steady progress in profitability improvements.
- White goods continued to maintain a profit margin in excess of 10%, while display devices saw a significant recovery in profit.
- We did not change our full-year forecast for fiscal 2021, as business performance is progressing in line with the expectations we set at the beginning of the fiscal year.

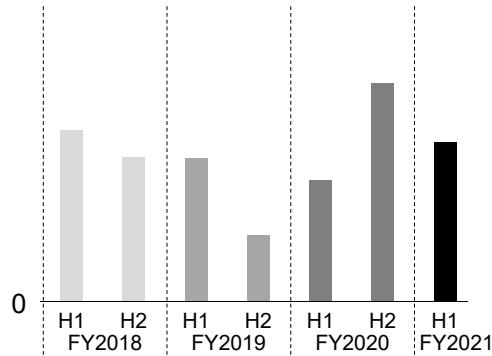
Consolidated Financial Results for the First Half, Fiscal 2021

	FY2020			(Billions of Yen)	
	First Half	Second Half	Fiscal Year	FY2021	
				First Half	Y on Y
Net Sales	1,143.4	1,282.4	2,425.9	1,218.2	+6.5%
Operating Profit	29.6 (2.6%)	53.4 (4.2%)	83.1 (3.4%)	39.0 (3.2%)	+31.6%
Ordinary Profit	29.8 (2.6%)	33.2 (2.6%)	63.1 (2.6%)	50.8 (4.2%)	+70.2%
Profit Attributable to Owners of Parent	23.7 (2.1%)	29.4 (2.3%)	53.2 (2.2%)	42.5 (3.5%)	+78.9%
Avg. Exchange Rate					
USD/JPY	105.92	104.20	105.06	108.80	
Euro/JPY	119.79	124.61	122.20	129.39	

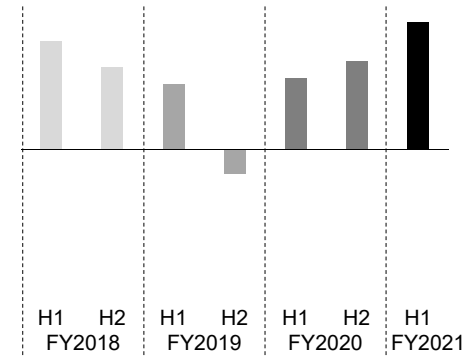
Net Sales



Operating Profit



Profit Attributable to Owners of Parent



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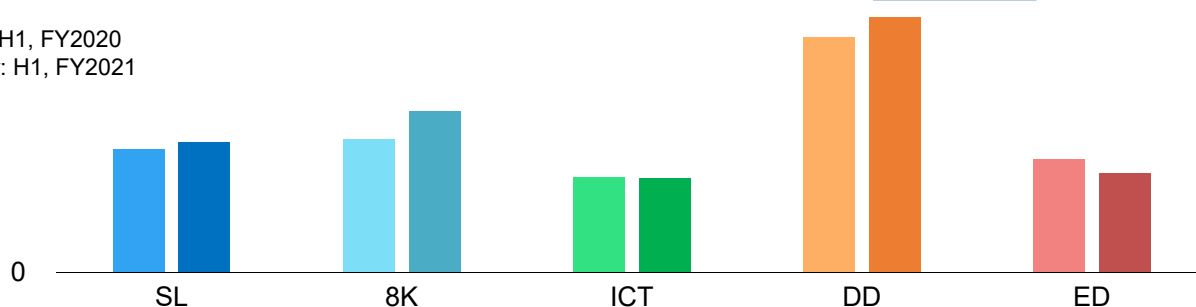
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- The next slide provides highlights of our financial results for the first half of fiscal 2021.
- Net sales amounted to 1,218.2 billion yen, 6.5% up year on year.
- Operating profit amounted to 39.0 billion yen, 31.6% up year on year, ordinary profit amounted to 50.8 billion yen, 70.2% up year on year, profit attributable to owners of parent amounted to 42.5 billion yen, 78.9% up year on year.

(First Half) Sales by Segment

		FY2020			(Billions of Yen) FY2021	
		First Half	Second Half	Fiscal Year	First Half	Y on Y
Smart Life		212.0	243.4	455.5	223.9	+5.6%
8K Ecosystem		227.9	265.0	493.0	276.0	+21.1%
ICT		162.5	180.9	343.4	162.1	-0.3%
Brand Businesses		602.6	689.4	1,292.0	662.1	+9.9%
Display Device		403.3	409.4	812.7	436.7	+8.3%
Electronic Device		194.2	234.3	428.5	170.0	-12.4%
Device Businesses		597.6	643.7	1,241.3	606.8	+1.6%
Subtotal		1,200.2	1,333.2	2,533.4	1,269.0	+5.7%
Adjustments		-56.7	-50.8	-107.5	-50.8	-
Total		1,143.4	1,282.4	2,425.9	1,218.2	+6.5%

Left bar: H1, FY2020
Right bar: H1, FY2021



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*Sales include inter-segment sales and transfers.

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- This next slide shows sales by segment for the first half of fiscal 2021.
- Brand Business sales increased 9.9% year on year to 662.1 billion yen, while Device Business sales increased 1.6% to 606.8 billion yen.

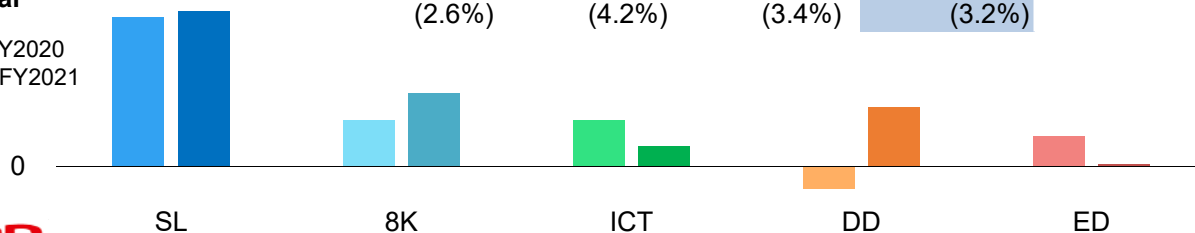
(First Half) Operating Profit by Segment

*Figures within parentheses indicate operating margin.

(Billions of Yen)

	FY2020			FY2021	
	First Half	Second Half	Fiscal Year	First Half	Y on Y
Smart Life	23.5 (11.1%)	35.3 (14.5%)	58.8 (12.9%)	24.4 (10.9%)	+3.9%
8K Ecosystem	7.3 (3.2%)	8.1 (3.1%)	15.5 (3.1%)	11.5 (4.2%)	+57.4%
ICT	7.2 (4.5%)	8.1 (4.5%)	15.4 (4.5%)	3.1 (1.9%)	-57.1%
Brand Businesses	38.1 (6.3%)	51.6 (7.5%)	89.8 (7.0%)	39.1 (5.9%)	+2.5%
Display Device	-3.5 (-0.9%)	5.3 (1.3%)	1.8 (0.2%)	9.3 (2.1%)	-
Electronic Device	4.7 (2.4%)	7.9 (3.4%)	12.6 (3.0%)	0.3 (0.2%)	-92.2%
Device Businesses	1.2 (0.2%)	13.3 (2.1%)	14.5 (1.2%)	9.6 (1.6%)	7.8-fold
Subtotal	39.4 (3.3%)	64.9 (4.9%)	104.3 (4.1%)	48.8 (3.8%)	+23.9%
Adjustments	-9.7	-11.4	-21.2	-9.8	-
Total	29.6 (2.6%)	53.4 (4.2%)	83.1 (3.4%)	39.0 (3.2%)	+31.6%

Left bar: H1, FY2020
Right bar: H1, FY2021



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ICT

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- Let's turn to the next slide, which shows operating profit by segment.
- Brand Business operating profit amounted to 39.1 billion yen, 2.5% up year on year, while the Device Business amounted to 9.6 billion yen, up 7.8-fold year on year

As you can see, our Brand and Device Businesses recorded higher sales and profits for the cumulative first half.

Consolidated Financial Results for the Second Quarter, Fiscal 2021

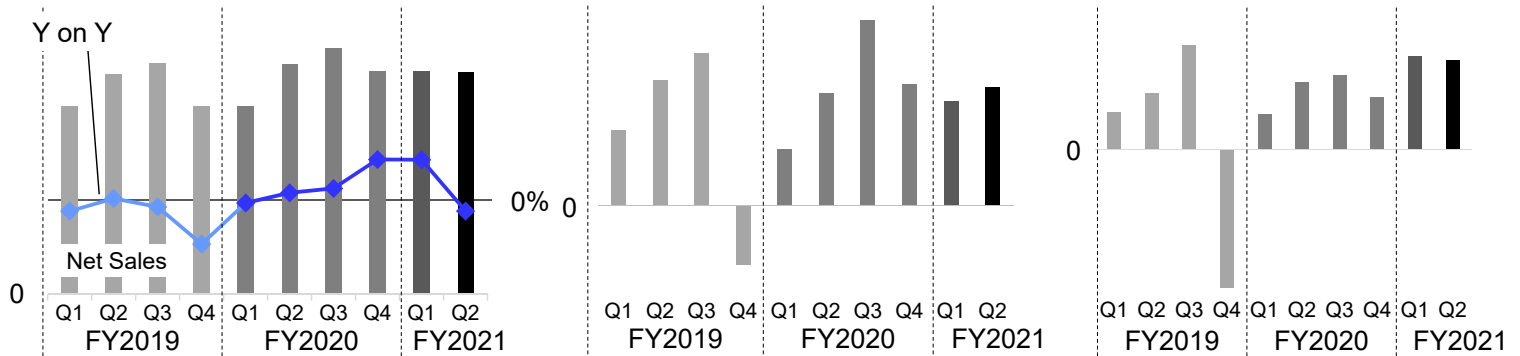
(Billions of Yen)

	FY2020				FY2021		Y on Y
	Q1	Q2	Q3	Q4	Q1	Q2	
Net Sales	514.4	628.9	673.4	609.0	611.5	606.6	-3.6%
Operating Profit	9.8 (1.9%)	19.7 (3.1%)	32.3 (4.8%)	21.1 (3.5%)	18.3 (3.0%)	20.6 (3.4%)	+4.4%
Ordinary Profit	11.2 (2.2%)	18.5 (3.0%)	13.9 (2.1%)	19.3 (3.2%)	25.6 (4.2%)	25.2 (4.2%)	+35.6%
Profit Attributable to Owners of Parent	8.1 (1.6%)	15.5 (2.5%)	17.3 (2.6%)	12.1 (2.0%)	21.6 (3.5%)	20.8 (3.4%)	+33.9%
Avg. Exchange Rate							
USD/JPY	106.62	105.22	103.51	104.90	108.49	109.11	
Euro/JPY	116.97	122.61	123.03	126.18	130.45	128.33	

Net Sales

Operating Profit

Profit Attributable to Owners of Parent



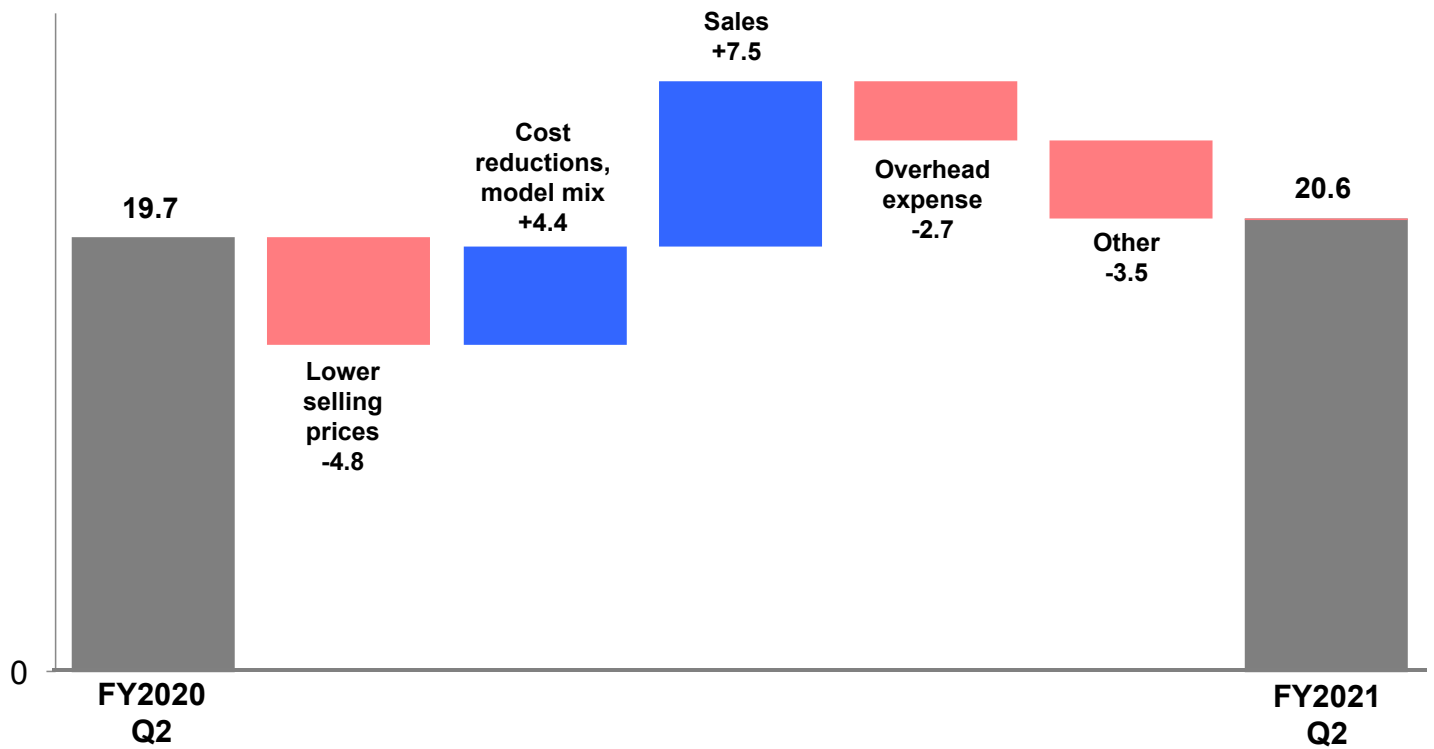
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- The next slide provides highlights of our financial results for Q2, fiscal 2021.
- Net sales amounted to 606.6 billion yen, a decrease of 3.6% year on year.
- Operating profit amounted to 20.6 billion yen, 4.4% up year on year, ordinary profit amounted to 25.2 billion yen, 35.6% up year on year, profit attributable to owners of parent amounted to 20.8 billion yen, 33.9% up year on year.

Operating Profit Analysis : Y on Y Change Factors for the Second Quarter, Fiscal 2021

(Billions of Yen)

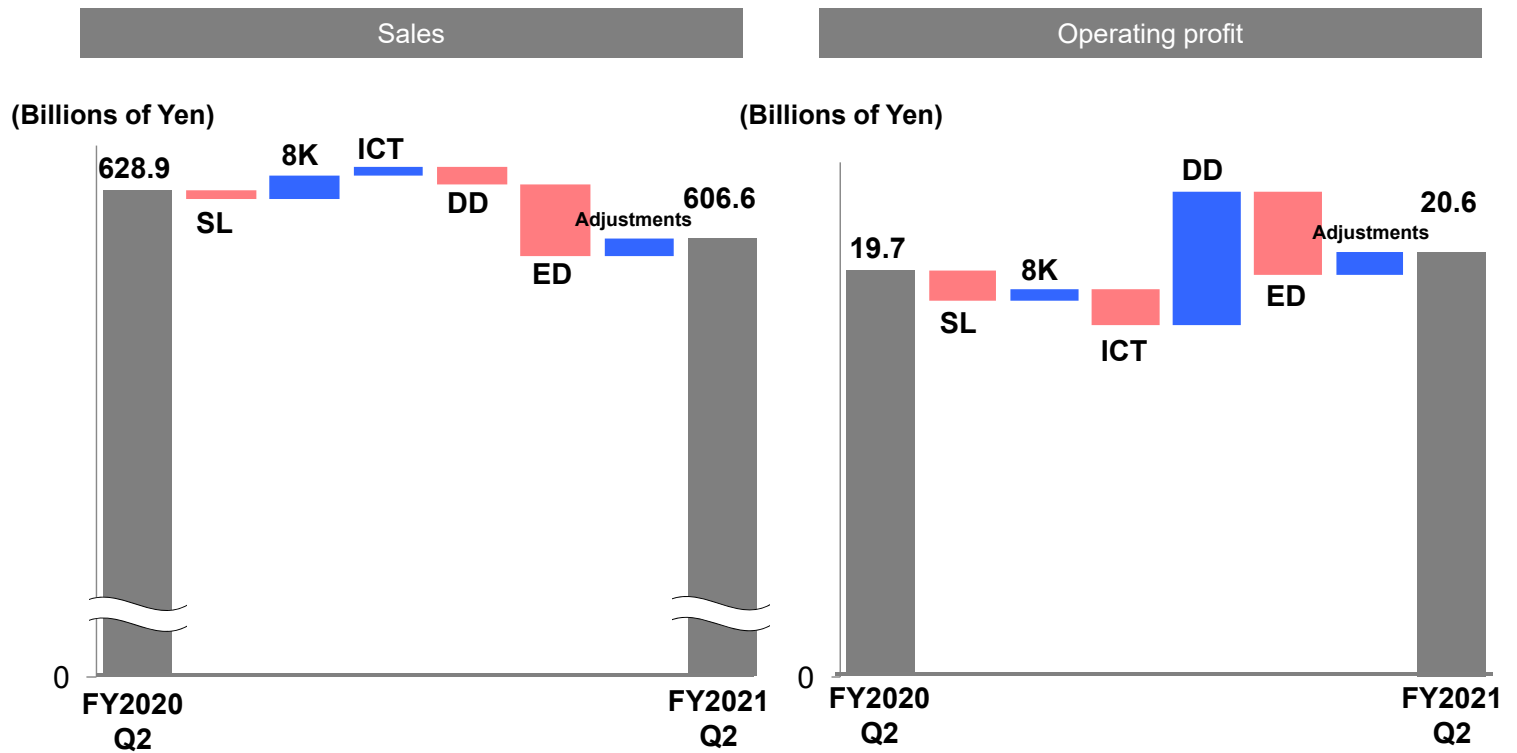


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- The next graph shows our analysis of year-on-year changes in operating profit for Q2, fiscal 2021.
- Notable change factors included
 - a 4.8 billion yen decrease due to lower selling prices,
 - a 4.4 billion yen improvement due to cost reductions and model mix,
 - a 7.5 billion yen increase due to changes in sales performance,
 - a 2.7 billion yen decrease related to overhead expenses.

Sales and Operating Profit Analysis: Y on Y Change by Segment for the Second Quarter, Fiscal 2021

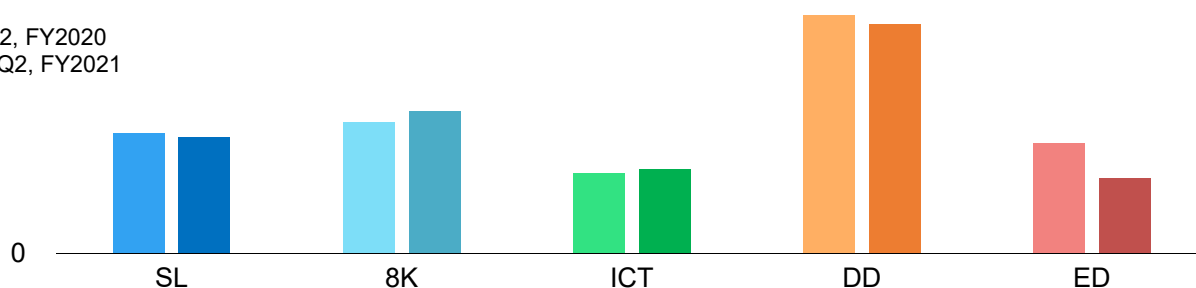


- The next graphs provide a year-on-year change analysis for sales and operating profit.
- In Q2, fiscal 2021, 8K Ecosystem and ICT sales rose, while 8K Ecosystem and Display Device recorded an increase in profit.

(Second Quarter) Sales by Segment

	FY2020				FY2021		
	Q1	Q2	Q3	Q4	Q1	Q2	Y on Y
Smart Life	95.3	116.7	117.6	125.7	111.0	112.9	-3.3%
8K Ecosystem	100.5	127.4	127.4	137.6	137.5	138.5	+8.7%
ICT	84.5	77.9	83.1	97.7	80.2	81.8	+5.0%
Brand Businesses	280.4	322.1	328.2	361.2	328.7	333.3	+3.5%
Display Device	171.8	231.4	215.6	193.7	213.3	223.4	-3.5%
Electronic Device	86.6	107.5	157.1	77.2	96.5	73.5	-31.6%
Device Businesses	258.5	339.0	372.8	270.9	309.8	297.0	-12.4%
Subtotal	539.0	661.1	701.0	632.1	638.6	630.3	-4.7%
Adjustments	-24.5	-32.1	-27.6	-23.1	-27.0	-23.7	-
Total	514.4	628.9	673.4	609.0	611.5	606.6	-3.6%

Left bar: Q2, FY2020
Right bar: Q2, FY2021



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*Sales include inter-segment sales and transfers.

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- This next slide shows sales by segment for Q2, fiscal 2021.
- Brand Business sales increased 3.5% year on year to 333.3 billion yen, while Device Business sales decreased 12.4% to 297.0 billion yen.

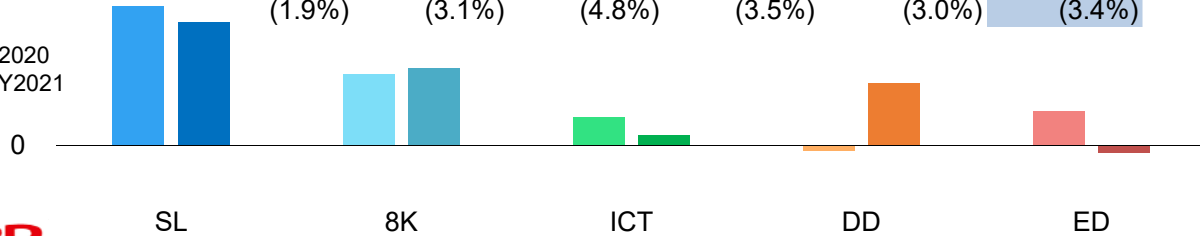
(Second Quarter) Operating Profit by Segment

*Figures within parentheses indicate operating margin.

(Billions of Yen)

	FY2020				FY2021		Y on Y
	Q1	Q2	Q3	Q4	Q1	Q2	
Smart Life	10.1 (10.7%)	13.3 (11.5%)	16.8 (14.3%)	18.5 (14.7%)	12.6 (11.4%)	11.8 (10.5%)	-11.3%
8K Ecosystem	0.5 (0.5%)	6.8 (5.4%)	5.1 (4.1%)	3.0 (2.2%)	4.1 (3.0%)	7.3 (5.3%)	+7.9%
ICT	4.5 (5.4%)	2.7 (3.5%)	3.7 (4.5%)	4.3 (4.5%)	2.1 (2.7%)	0.9 (1.2%)	-63.3%
Brand Businesses	15.2 (5.4%)	22.9 (7.1%)	25.7 (7.8%)	25.8 (7.2%)	18.9 (5.8%)	20.2 (6.1%)	-11.7%
Display Device	-3.0 (-1.8%)	-0.4 (-0.2%)	2.2 (1.1%)	3.1 (1.6%)	3.3 (1.6%)	5.9 (2.7%)	-
Electronic Device	1.4 (1.7%)	3.2 (3.1%)	9.7 (6.2%)	-1.8 (-2.3%)	1.0 (1.1%)	-0.7 (-1.0%)	-
Device Businesses	-1.5 (-0.6%)	2.8 (0.8%)	12.0 (3.2%)	1.2 (0.5%)	4.3 (1.4%)	5.2 (1.8%)	+87.2%
Subtotal	13.6 (2.5%)	25.7 (3.9%)	37.7 (5.4%)	27.1 (4.3%)	23.3 (3.7%)	25.5 (4.0%)	-0.9%
Adjustments	-3.8	-5.9	-5.4	-6.0	-4.9	-4.8	-
Total	9.8 (1.9%)	19.7 (3.1%)	32.3 (4.8%)	21.1 (3.5%)	18.3 (3.0%)	20.6 (3.4%)	+4.4%

Left bar: Q2, FY2020
Right bar: Q2, FY2021



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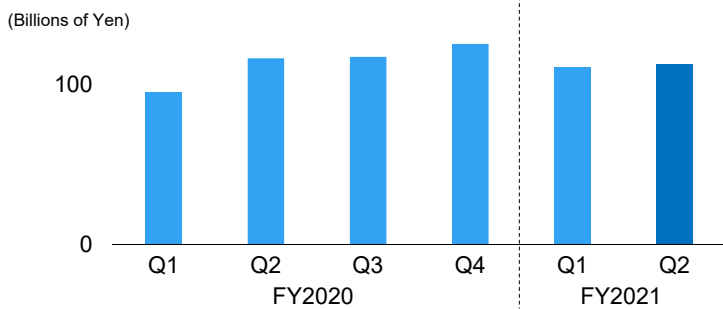
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- Let's turn to the next slide, which shows operating profit by segment.
- Brand Business operating profit amounted to 20.2 billion yen, 11.7% lower year on year, while the Device Business amounted to 5.2 billion yen, 87.2% up year on year

I will discuss the status for each segment in more detail later; however, every business has experienced the negative impacts of the re-emergence of COVID-19 and supply chain disruptions.

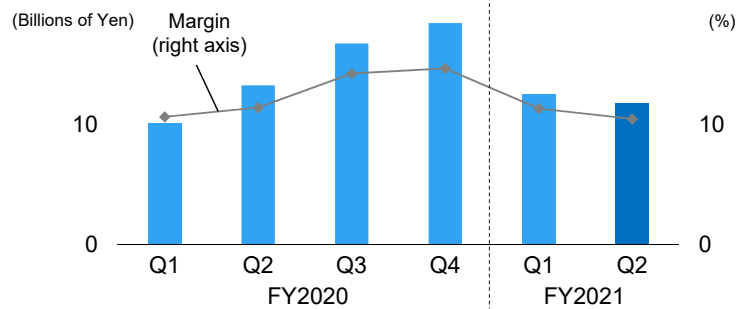
(Billions of Yen)	FY2020				FY2021		
	Q1	Q2	Q3	Q4	Q1	Q2	Y on Y
Sales	95.3	116.7	117.6	125.7	111.0	112.9	-3.3%
Operating Profit	10.1	13.3	16.8	18.5	12.6	11.8	-11.3%
Profit	(10.7%)	(11.5%)	(14.3%)	(14.7%)	(11.4%)	(10.5%)	

Sales (Decrease)



- (Dec.) White goods business in Asia impacted by the re-emergence of COVID-19
- (Dec.) Longer rainy season impacted air conditioners in Japan
- (Dec.) Component bottlenecks have impacted the energy solutions business
- (Incr.) Growth for built-in ranges and other cooking appliances in Europe and the Americas
- (Incr.) Increase in EPC business sales in Japan

Operating profit (Decrease)



- (Dec.) Decrease in sales
- (Dec.) Impact of soaring component prices
- (Incr.) Improved earnings capacity in every business

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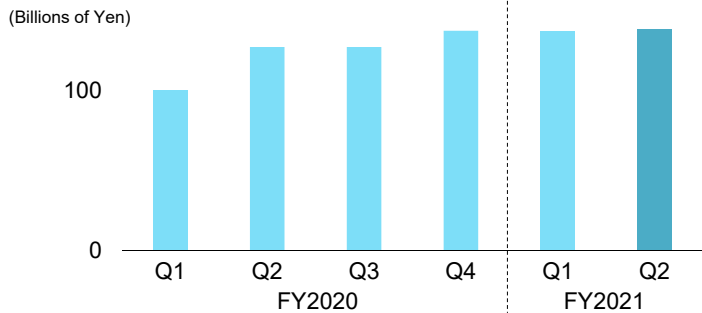
11

- Please turn to the next slide. This is our performance by segment. First, I want to address our Smart Life segment.
- White goods sales decreased overall. While sales of white goods increased in Europe and the Americas for built-in ranges and other cooking appliances, the impact of the re-emergence of COVID-19 resulted in lower sales in Asia. At the same time, the energy solutions business recorded increased sales, driven by the EPC business in Japan.
- Operating profit amounted to 11.8 billion yen, a decrease of 11.3% year on year. Profits were lower due to the decrease in sales and the impact of soaring component prices.

Our earnings capacity has improved steadily, and we recorded ongoing high profit margins, posting a 10.5% profit margin in Q2, despite the challenging business environment.

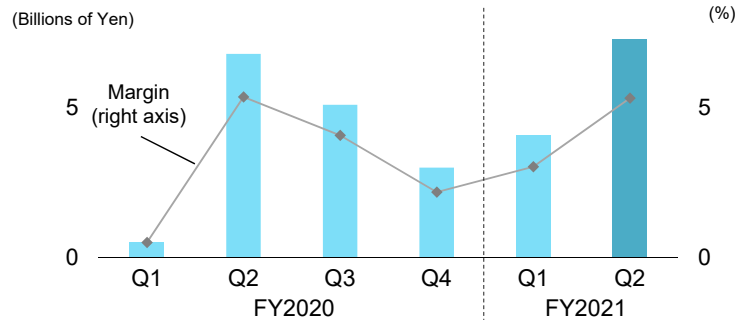
(Billions of Yen)	FY2020				FY2021		
	Q1	Q2	Q3	Q4	Q1	Q2	Y on Y
Sales	100.5	127.4	127.4	137.6	137.5	138.5	+8.7%
Operating Profit	0.5	6.8	5.1	3.0	4.1	7.3	+7.9%
Profit	(0.5%)	(5.4%)	(4.1%)	(2.2%)	(3.0%)	(5.3%)	

Sales (Increase)



(Incr.) Impact of SNDS* consolidation
(Incr.) Smart office business growth
(Incr.) Impact of MFP business sales growth in Europe, the Americas
(Dec.) Impact of logistics bottlenecks in Europe, the Americas
(Dec.) Impact of re-emergence of COVID-19, particularly in Asia

Operating profit (Increase)



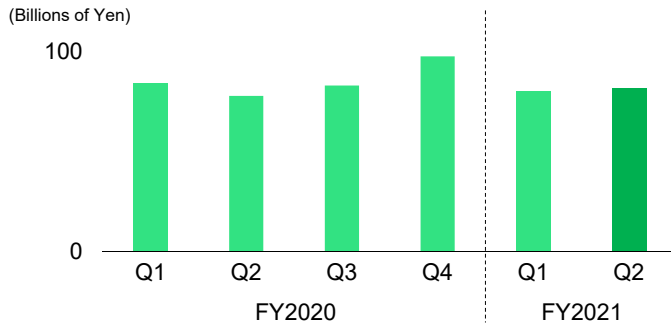
(Incr.) Increase in sales
(Incr.) Improved cost performance
(Incr.) Increase in MFP print volume in Japan
(Dec.) Rising component prices, increased logistics costs

* Sharp NEC Display Solutions, Ltd.

- The next slide describes performance in our 8K Ecosystem.
- Sales amounted to 138.5 billion yen, 8.7% up year on year.
Sales rose year on year, driven by factors including smart office business growth and the consolidation of Sharp NEC Display Solutions, Ltd. The segment achieved these results despite the lack of shipping containers, prolonged shipment times, and the re-emergence of COVID-19.
- Operating profit amounted to 7.3 billion yen, 7.9% up year on year.
Higher sales and our efforts toward improved cost performance resulted in higher profits, despite soaring component prices and rising logistics costs.

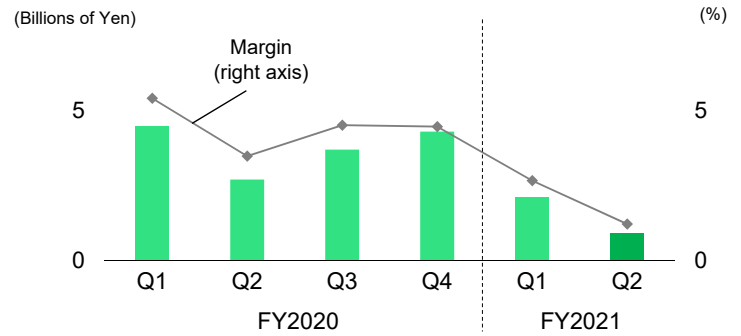
(Billions of Yen)	FY2020				FY2021		
	Q1	Q2	Q3	Q4	Q1	Q2	Y on Y
Sales	84.5	77.9	83.1	97.7	80.2	81.8	+5.0%
Operating Profit	4.5	2.7	3.7	4.3	2.1	0.9	-63.3%
	(5.4%)	(3.5%)	(4.5%)	(4.5%)	(2.7%)	(1.2%)	

Sales (Increase)



- (Incr.) Increase in corporate PC business sales in Japan
(Incr.) Strong sales of home routers and other new category products in the mobile communications business
(Dec.) Impact of component bottlenecks

Operating profit (Decrease)

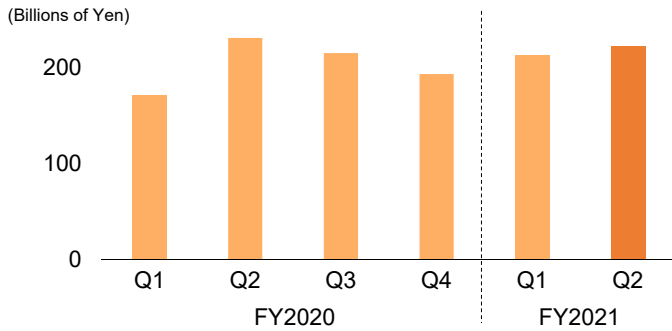


- (Dec.) Rising prices for semiconductors, etc.

- Please turn to the next slide. This slide shows ICT performance.
- Sales amounted to 81.8 billion yen, an increase of 5.0% year on year.
Sales increased, mainly due to an increase in corporate PC sales in Japan under our PC business and strong sales of home routers and other new category products in our mobile communications business.
- Operating profit decreased 63.3% to 900 million yen due to a general increase in component prices for semiconductors and other components.
The mobile communications and PC businesses continued to record profits.

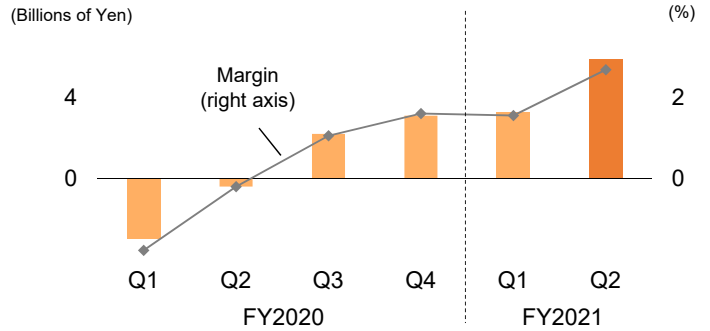
(Billions of Yen)	FY2020				FY2021		
	Q1	Q2	Q3	Q4	Q1	Q2	Y on Y
Sales	171.8	231.4	215.6	193.7	213.3	223.4	-3.5%
Operating Profit	-3.0	-0.4	2.2	3.1	3.3	5.9	-
	(-1.8%)	(-0.2%)	(1.1%)	(1.6%)	(1.6%)	(2.7%)	

Sales (Decrease)



(Dec.) Decrease in panels for smartphones
 (Dec.) Impact of semiconductor bottlenecks
 (Incr.) Growth in panels for automotive
 (Incr.) Firm performance for PCs and tablets

Operating profit (Increase)

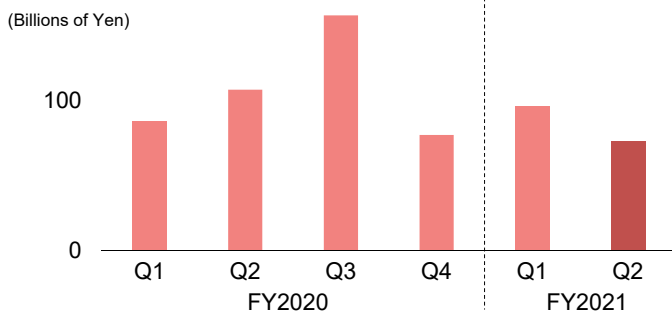


(Incr.) Model mix improvement through increased sales of medium-size panels, etc.
 (Dec.) Rising prices for semiconductors, etc.

- Let's turn to the next slide, which shows performance in our Display Device.
- Sales amounted to 223.4 billion yen, a decrease of 3.5% year on year. Sales of small-size panels for smartphones decreased, while sales of medium-size panels increased, including panels for automobiles, PCs, and tablets.
- Operating profit recovered by 6.3 billion yen from a loss of 400 million yen in the year-ago period, reaching a profit of 5.9 billion yen. This result was mainly due to model mix improvement, owing in part to a higher sales of medium-size panels as a component of segment sales.

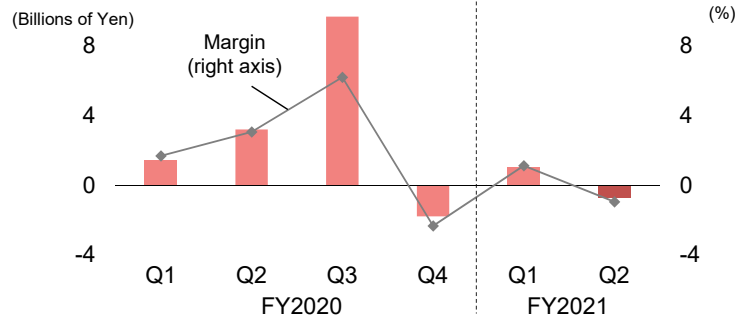
(Billions of Yen)	FY2020				FY2021		
	Q1	Q2	Q3	Q4	Q1	Q2	Y on Y
Sales	86.6	107.5	157.1	77.2	96.5	73.5	-31.6%
Operating Profit	1.4	3.2	9.7	-1.8	1.0	-0.7	-
	(1.7%)	(3.1%)	(6.2%)	(-2.3%)	(1.1%)	(-1.0%)	

Sales (Decrease)



(Dec.) Impact of the re-emergence of COVID-19 on production (production has normalized more recently)

Operating profit (Decrease)



(Dec.) Decrease in sales

- This next slide shows Electronic Device performance.
- Sales were 73.5 billion yen, down 31.6% year on year. Although sales decreased due to the impact of the re-emergence of COVID-19 on production, production has normalized more recently.
- Operating loss amounted to 700 million yen due to lower sales.

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

(Billions of Yen)

	FY2020				FY2021		
	Q1	Q2	Q3	Q4	Q1	Q2	Difference (Y on Y)
Operating Profit	9.8	19.7	32.3	21.1	18.3	20.6	+0.9
Non-operating Income (Expenses)	+1.4	-1.1	-18.3	-1.7	+7.2	+4.5	+5.6
Interest expense	-1.2	-1.5	-1.3	-1.3	-1.3	-1.1	+0.4
Foreign exchange gain (loss)	+2.2	+1.3	+0.8	+1.0	+3.2	+3.7	+2.4
Share of profit (loss) of entities accounted for using equity method	-0.6	-2.8	-15.3	+2.1	+4.3	+2.3	+5.1
Ordinary Profit	11.2	18.5	13.9	19.3	25.6	25.2	+6.7
Extraordinary Income (Losses)	-0.2	-0.1	+8.6	-4.9	+0.7	+0.8	+0.9
Gain (loss) on sale of non-current assets	+2.8	-	+2.6	+0.1	+0.1	+0.4	+0.4
Gain on receipt of donated non-current assets	-	-	+6.1	+0.5	+0.7	+0.5	+0.5
Impairment loss	-0.8	-0.1	-0.1	-5.2	-	-	+0.1
Loss on valuation of investment securities	-2.0	-	-	-	-	-	-
Pretax Income	11.0	18.4	22.5	14.3	26.3	26.0	+7.6
Income Taxes, etc.	-2.8	-2.8	-5.1	-2.2	-4.6	-5.2	-2.4
Profit Attributable to Owners of Parent	8.1	15.5	17.3	12.1	21.6	20.8	+5.3

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- The next slide addresses non-operating income, extraordinary income, and income taxes.
- Sharp did not record any significant non-operating income/expenses or extraordinary income/losses for Q2, fiscal 2021.

Consolidated Balance Sheets

- Cash and deposits amounted to 261.5 billion yen, while net assets were 392.0 billion yen and the equity ratio was 20.0%. These results were due to factors including the recording of 20.8 billion yen in bottom-line profit and a reduction of more than 20.0 billion yen in interest-bearing debt for Q2.

				(Billions of Yen)			
	FY2020	FY2021		FY2020	FY2021		
	End of Mar.	End of Jun.	End of Sep.	End of Mar.	End of Jun.	End of Sep.	
Cash and deposits	341.9	266.0	261.5	Notes and accounts payable – trade, etc.	396.4	416.2	403.6
Notes and accounts receivable – trade, etc.	457.6	502.4	461.0	Short-term borrowings	163.0	116.1	82.4
Inventories	263.0	294.8	311.6	Current portion of bonds payable	0.0	0.0	0.0
Other current assets	126.1	113.3	119.9	Other current liabilities	326.1	340.7	337.6
Current Assets	1,188.7	1,176.6	1,154.2	Current Liabilities	885.5	873.1	823.7
Property, plant and Equipment	438.4	440.0	443.5	Bonds payable	0.0	0.0	0.0
Intangible assets	45.1	45.0	43.5	Long-term borrowings	561.8	558.4	569.4
Investments and other Assets	254.8	250.9	254.1	Other non-current liabilities	115.6	112.6	110.2
Non-current Assets	738.4	736.0	741.2	Non-current Liabilities	677.5	671.1	679.7
Total Assets	1,927.2	1,912.6	1,895.5	Net Assets	364.1	368.3	392.0
				Total Liabilities and Net Assets	1,927.2	1,912.6	1,895.5
Exchange Rate, End of Period							
USD/JPY	109.72	109.61	110.95	Equity Ratio	18.2%	18.5%	20.0%
Euro/JPY	128.26	130.13	128.40	Equity	350.3	354.7	379.3

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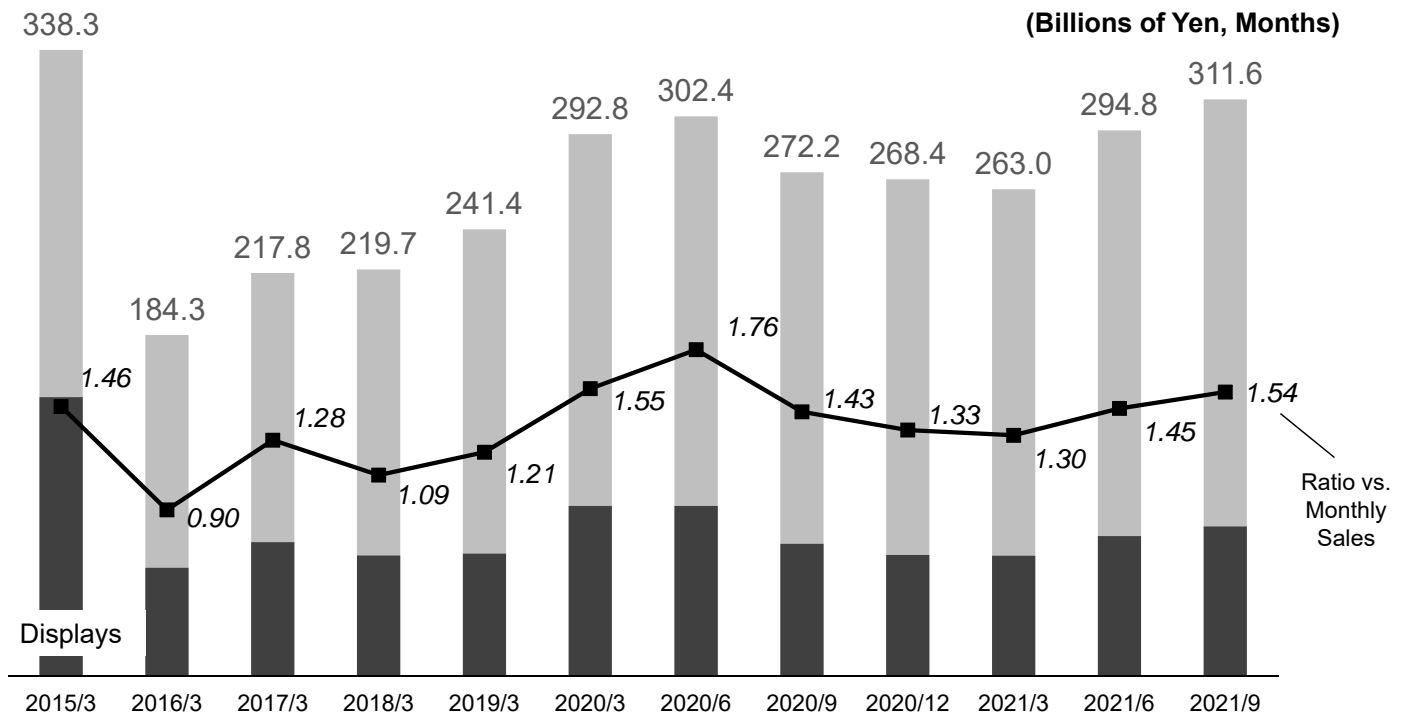
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- The next slide provides information about our balance sheets.
- For Q2, we posted a bottom-line profit of 20.8 billion yen, 1.3 times higher than the year-ago period. At the same time, we reduced interest-bearing debt by excess of 20 billion yen as our financial situation improved.

As a result, cash and deposits as of September 30, 2021, amounted to 261.5 billion yen compared to 266.0 billion yen as of the end of June 2021. Net assets amounted to 392.0 billion yen compared to 368.3 billion yen, and our equity ratio was 20.0% compared to 18.5%.

Inventory Trends

- Inventory amounted to 311.6 billion yen as of the end of September 2021, an increase of 16.8 billion yen compared with the end of June 2021
- Inventory levels reflect our considerations of component bottlenecks, delayed logistics, supply chain disruptions, and demand in the second half and later



*New accounting standards have been applied as of Q1 FY2021 due to a change in generally accepted accounting rules

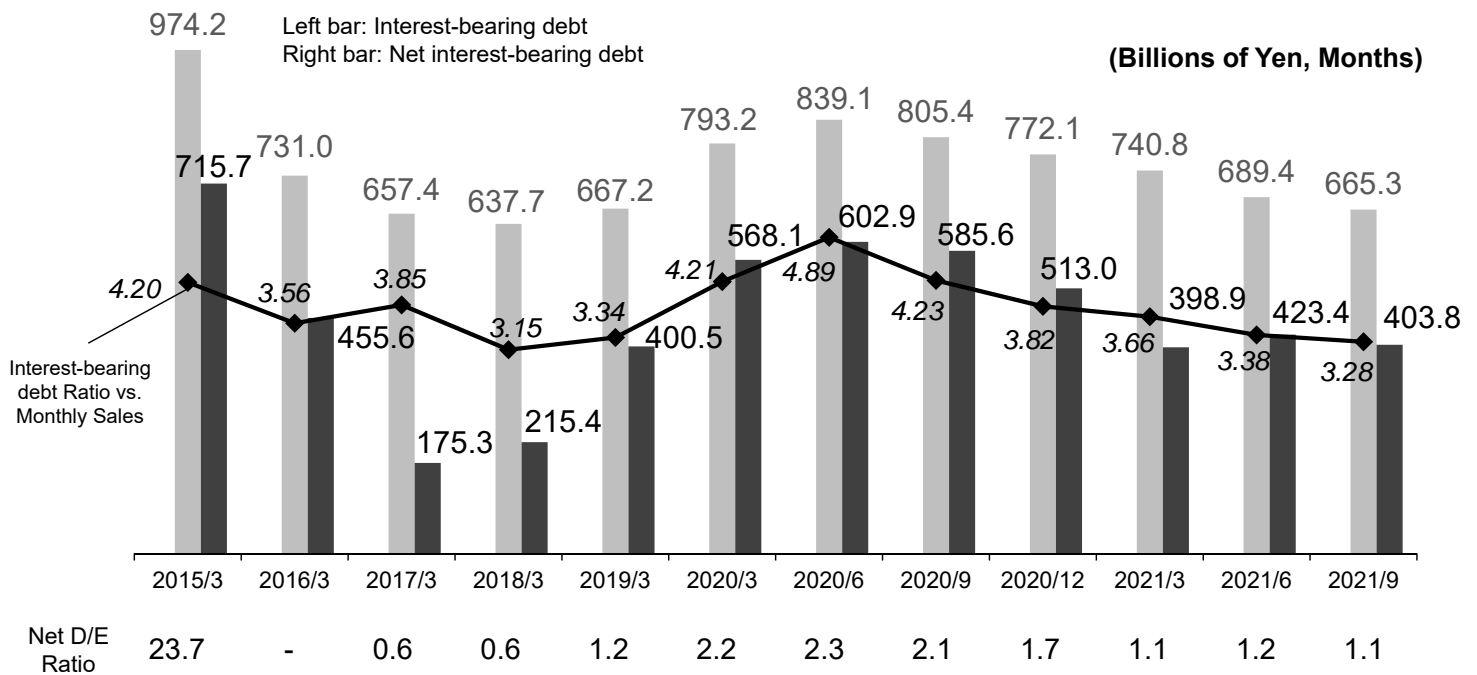
- The next slide discusses our inventory trends.
- Inventories as of the end of September 2021 amounted to 311.6 billion yen, an increase of 16.8 billion yen compared to the end of June 2021. Our monthly sales ratio amounted to 1.54 months.

Inventory levels reflect our considerations of component bottlenecks, delayed logistics, supply chain disruptions, and demand for the second half of the fiscal year and later.

- We will continue to monitor changes in the business environment, including COVID-19, the supply chain disruptions, trade frictions between the U.S. and China, and the resulting demand trends of device customers. We will strive to maintain appropriate inventory levels in response to these changes.

Interest-Bearing Debt Trends

- Interest-bearing debt was 665.3 billion yen, compared to a balance of 689.4 billion yen as of June 30, 2021. Interest-bearing debt to monthly sales ratio was 3.28 months, compared to 3.38 months as of June 30, 2021.
- Net interest-bearing debt* decreased 19.6 billion yen to 403.8 billion yen



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

- Next, let's take a look at interest-bearing debt.
- Interest-bearing debt as of September 30, 2021, decreased by 24.1 billion yen from the 689.4 billion yen balance at the end of June, amounting to 665.3 billion yen.

Net interest-bearing debt decreased to 403.8 billion yen from 423.4 billion yen at the end of June 2021.

Fiscal 2021 Consolidated Financial Results Forecast

External Environment

- Outlook regarding COVID-19 is uncertain, but economic activity is expected to normalize
- Supply chain disruptions likely to continue for the time being

Conditions at Sharp

- First half results in line with initial forecast
- Second half results should also be in line with initial forecast

(Billions of Yen)

	FY2020	FY2021	
	Fiscal Year	Fiscal Year Forecast	Y on Y
Net Sales	2,425.9	2,550.0	+5.1%
Operating Profit (margin)	83.1 (3.4%)	101.0 (4.0%)	+21.5%
Ordinary Profit (margin)	63.1 (2.6%)	91.0 (3.6%)	+44.0%
Profit Attributable to Owners of Parent (margin)	53.2 (2.2%)	76.0 (3.0%)	+42.7%
Avg. Exchange Rate		Second Half Forecast	
USD/JPY	105.06	108.00	
Euro/JPY	122.20	126.00	

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- The next slide discusses our consolidated financial results forecasts for fiscal 2021.
- First, let's look at the external environment, which forms the basis for our forecast.

While the future of COVID-19 is uncertain, we expect economic activity to normalize.

We also expect supply chain disruptions to continue for the time being.

Meanwhile, first half results were in line with our initial forecast.

Given the external environment, we believe we will also achieve second half results in line with our initial forecast.

We have left our forecasts for net sales and each profit measure unchanged from our previous forecast.

II . Supplementary Data

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S-1

- Supplementary materials include a summary of net sales and operating profit by segment, as well as other information.
- We expect economic activities to normalize in many countries in the second half of the fiscal year. However, new social issues have emerged as a result of the spread of COVID-19.

Amid these circumstances, we are working to create 8K+5G devices, AIoT devices, services, and solutions, including expansion into new business fields in response to with-COVID-19 trends.

At the recent CEATEC, we introduced three initiatives under the title, Sharp's Solutions for Accelerating the New Normal.

More specifically, the three initiatives we discussed were New Normal Solutions, Core Technologies and Devices to Support the New Normal, and Digital Community Development in the New Normal Era.

- We will continue to leverage uniquely Sharp products, services, and solutions to strengthen our entry into new business fields, bringing solutions to social issues, while we transform and expand as a business.
- And we intend to establish SHARP as a strong brand as quickly as possible.
- Thank you for your attention.

Consolidated Financial Results

(Billions of Yen)

	FY2020			FY2021		
	First Half	Second Half	Fiscal Year	First Half	Second Half Forecast	Fiscal Year Forecast
Net Sales	1,143.4	1,282.4	2,425.9	1,218.2	1,331.8	2,550.0
Operating Profit	29.6	53.4	83.1	39.0	62.0	101.0
(margin)	(2.6%)	(4.2%)	(3.4%)	(3.2%)	(4.7%)	(4.0%)
Ordinary Profit	29.8	33.2	63.1	50.8	40.2	91.0
(margin)	(2.6%)	(2.6%)	(2.6%)	(4.2%)	(3.0%)	(3.6%)
Profit Attributable to Owners of Parent	23.7	29.4	53.2	42.5	33.5	76.0
(margin)	(2.1%)	(2.3%)	(2.2%)	(3.5%)	(2.5%)	(3.0%)

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S-2

Consolidated Quarterly Financial Results

(Billions of Yen)

	FY2020				FY2021	
	Q1	Q2	Q3	Q4	Q1	Q2
Net Sales	514.4	628.9	673.4	609.0	611.5	606.6
Operating Profit	9.8	19.7	32.3	21.1	18.3	20.6
(margin)	(1.9%)	(3.1%)	(4.8%)	(3.5%)	(3.0%)	(3.4%)
Ordinary Profit	11.2	18.5	13.9	19.3	25.6	25.2
(margin)	(2.2%)	(3.0%)	(2.1%)	(3.2%)	(4.2%)	(4.2%)
Profit Attributable to Owners of Parent	8.1	15.5	17.3	12.1	21.6	20.8
(margin)	(1.6%)	(2.5%)	(2.6%)	(2.0%)	(3.5%)	(3.4%)

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Sales by Segment

(Billions of Yen)

	FY2020			FY2021
	First Half	Second Half	Fiscal Year	First Half
Smart Life	212.0	243.4	455.5	223.9
8K Ecosystem	227.9	265.0	493.0	276.0
ICT	162.5	180.9	343.4	162.1
Brand Businesses	602.6	689.4	1,292.0	662.1
Display Device	403.3	409.4	812.7	436.7
Electronic Device	194.2	234.3	428.5	170.0
Device Businesses	597.6	643.7	1,241.3	606.8
Subtotal	1,200.2	1,333.2	2,533.4	1,269.0
Adjustments	-56.7	-50.8	-107.5	-50.8
Total	1,143.4	1,282.4	2,425.9	1,218.2

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*Sales include inter-segment sales and transfers.

S-4

Operating Profit by Segment

(Billions of Yen)

	FY2020			FY2021
	First Half	Second Half	Fiscal Year	First Half
Smart Life	23.5 (11.1%)	35.3 (14.5%)	58.8 (12.9%)	24.4 (10.9%)
8K Ecosystem	7.3 (3.2%)	8.1 (3.1%)	15.5 (3.1%)	11.5 (4.2%)
ICT	7.2 (4.5%)	8.1 (4.5%)	15.4 (4.5%)	3.1 (1.9%)
Brand Businesses	38.1 (6.3%)	51.6 (7.5%)	89.8 (7.0%)	39.1 (5.9%)
Display Device	-3.5 (-0.9%)	5.3 (1.3%)	1.8 (0.2%)	9.3 (2.1%)
Electronic Device	4.7 (2.4%)	7.9 (3.4%)	12.6 (3.0%)	0.3 (0.2%)
Device Businesses	1.2 (0.2%)	13.3 (2.1%)	14.5 (1.2%)	9.6 (1.6%)
Subtotal	39.4 (3.3%)	64.9 (4.9%)	104.3 (4.1%)	48.8 (3.8%)
Adjustments	-9.7	-11.4	-21.2	-9.8
Total	29.6 (2.6%)	53.4 (4.2%)	83.1 (3.4%)	39.0 (3.2%)

*Figures within parentheses indicate operating margin.

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S-5

Quarterly Sales by Segment

	(Billions of Yen)					
	FY2020				FY2021	
	Q1	Q2	Q3	Q4	Q1	Q2
Smart Life	95.3	116.7	117.6	125.7	111.0	112.9
8K Ecosystem	100.5	127.4	127.4	137.6	137.5	138.5
ICT	84.5	77.9	83.1	97.7	80.2	81.8
Brand Businesses	280.4	322.1	328.2	361.2	328.7	333.3
Display Device	171.8	231.4	215.6	193.7	213.3	223.4
Electronic Device	86.6	107.5	157.1	77.2	96.5	73.5
Device Businesses	258.5	339.0	372.8	270.9	309.8	297.0
Subtotal	539.0	661.1	701.0	632.1	638.6	630.3
Adjustments	-24.5	-32.1	-27.6	-23.1	-27.0	-23.7
Total	514.4	628.9	673.4	609.0	611.5	606.6

*Sales include inter-segment sales and transfers.

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Quarterly Operating Profit by Segment

	(Billions of Yen)					
	FY2020				FY2021	
	Q1	Q2	Q3	Q4	Q1	Q2
Smart Life	10.1 (10.7%)	13.3 (11.5%)	16.8 (14.3%)	18.5 (14.7%)	12.6 (11.4%)	11.8 (10.5%)
8K Ecosystem	0.5 (0.5%)	6.8 (5.4%)	5.1 (4.1%)	3.0 (2.2%)	4.1 (3.0%)	7.3 (5.3%)
ICT	4.5 (5.4%)	2.7 (3.5%)	3.7 (4.5%)	4.3 (4.5%)	2.1 (2.7%)	0.9 (1.2%)
Brand Businesses	15.2 (5.4%)	22.9 (7.1%)	25.7 (7.8%)	25.8 (7.2%)	18.9 (5.8%)	20.2 (6.1%)
Display Device	-3.0 (-1.8%)	-0.4 (-0.2%)	2.2 (1.1%)	3.1 (1.6%)	3.3 (1.6%)	5.9 (2.7%)
Electronic Device	1.4 (1.7%)	3.2 (3.1%)	9.7 (6.2%)	-1.8 (-2.3%)	1.0 (1.1%)	-0.7 (-1.0%)
Device Businesses	-1.5 (-0.6%)	2.8 (0.8%)	12.0 (3.2%)	1.2 (0.5%)	4.3 (1.4%)	5.2 (1.8%)
Subtotal	13.6 (2.5%)	25.7 (3.9%)	37.7 (5.4%)	27.1 (4.3%)	23.3 (3.7%)	25.5 (4.0%)
Adjustments	-3.8	-5.9	-5.4	-6.0	-4.9	-4.8
Total	9.8 (1.9%)	19.7 (3.1%)	32.3 (4.8%)	21.1 (3.5%)	18.3 (3.0%)	20.6 (3.4%)

*Figures within parentheses indicate operating margin.

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S-7

Capital Investment / Depreciation and Amortization

(Billions of Yen)

	FY2020			FY2021		
	First Half	Second Half	Fiscal Year	First Half	Second Half Forecast	Fiscal Year Forecast
Capital Investment	21.8	69.6	91.5	30.4	39.6	70.0
Displays	6.4	56.6	63.1	10.4	12.6	23.0
Depreciation and Amortization	29.6	33.9	63.5	31.2	48.8	80.0
R&D Expenditures	43.0	43.7	86.7	39.9	55.1	95.0

(Yen)

Avg. Exchange Rate	FY2020			FY2021	
	First Half	Second Half	Fiscal Year	First Half	Second Half Forecast
US Dollar	105.92	104.20	105.06	108.80	108.00
Euro	119.79	124.61	122.20	129.39	126.00

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S-8

Quarterly Capital Investment and Depreciation, etc.

(Billions of Yen)

	FY2020				FY2021	
	Q1	Q2	Q3	Q4	Q1	Q2
Capital Investment	10.1	11.6	60.7	8.9	13.4	17.0
Displays	4.4	2.0	51.9	4.7	7.4	3.0
Depreciation and Amortization	15.2	14.4	16.4	17.4	15.3	15.9
R&D Expenditures	20.3	22.6	21.9	21.7	19.6	20.3

(Yen)

Avg. Exchange Rate	FY2020				FY2021	
	Q1	Q2	Q3	Q4	Q1	Q2
US Dollar	106.62	105.22	103.51	104.90	108.49	109.11
Euro	116.97	122.61	123.03	126.18	130.45	128.33

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S-9

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