

Consolidated Financial Results for the First Quarter, Fiscal 2018

I . Consolidated Financial Results for the First Quarter, Fiscal 2018

II . Supplementary Data

SHARP CORPORATION

July 31, 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 the First Quarter, Fiscal 2018

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1

Consolidated Financial Results for the First Quarter, Fiscal 2018 (1)

- Q1 financial results continue to perform well as Sharp works to achieve our medium-term management plan
- Net sales were higher year on year for six consecutive quarters since Q4 FY2016
- Every profit measure showed significant growth; operating profit rose sharply, approaching 1.5 times year on year
- Equity ratio rose above 20% for the first time in six years and three months

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2

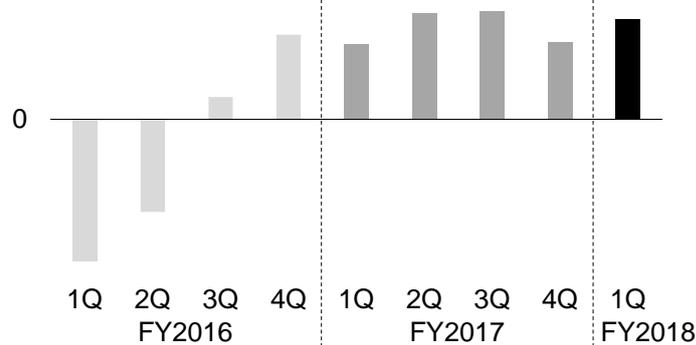
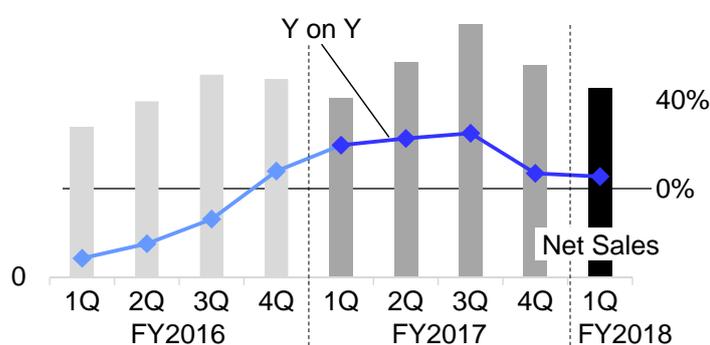
Consolidated Financial Results for the First Quarter, Fiscal 2018 (2)

(Billions of Yen)

	FY2017	FY2018		FY2018	
	1Q	1Q	Y on Y	First Half Forecast	Fiscal Year Forecast
Net Sales	506.4	533.8	+5.4%	1,300.0	2,890.0
Operating Profit	17.1	24.8	+45.0%	46.0	110.0
Ordinary Profit	17.1	21.2	+23.9%	43.0	100.0
Profit Attributable to Owners of Parent	14.4	19.2	+32.6%	36.0	80.0
Avg. Exchange Rate					
USD/JPY	110.10	108.07			102.00
Euro/JPY	120.69	128.56			126.00

Net Sales

Profit Attributable to Owners of Parent

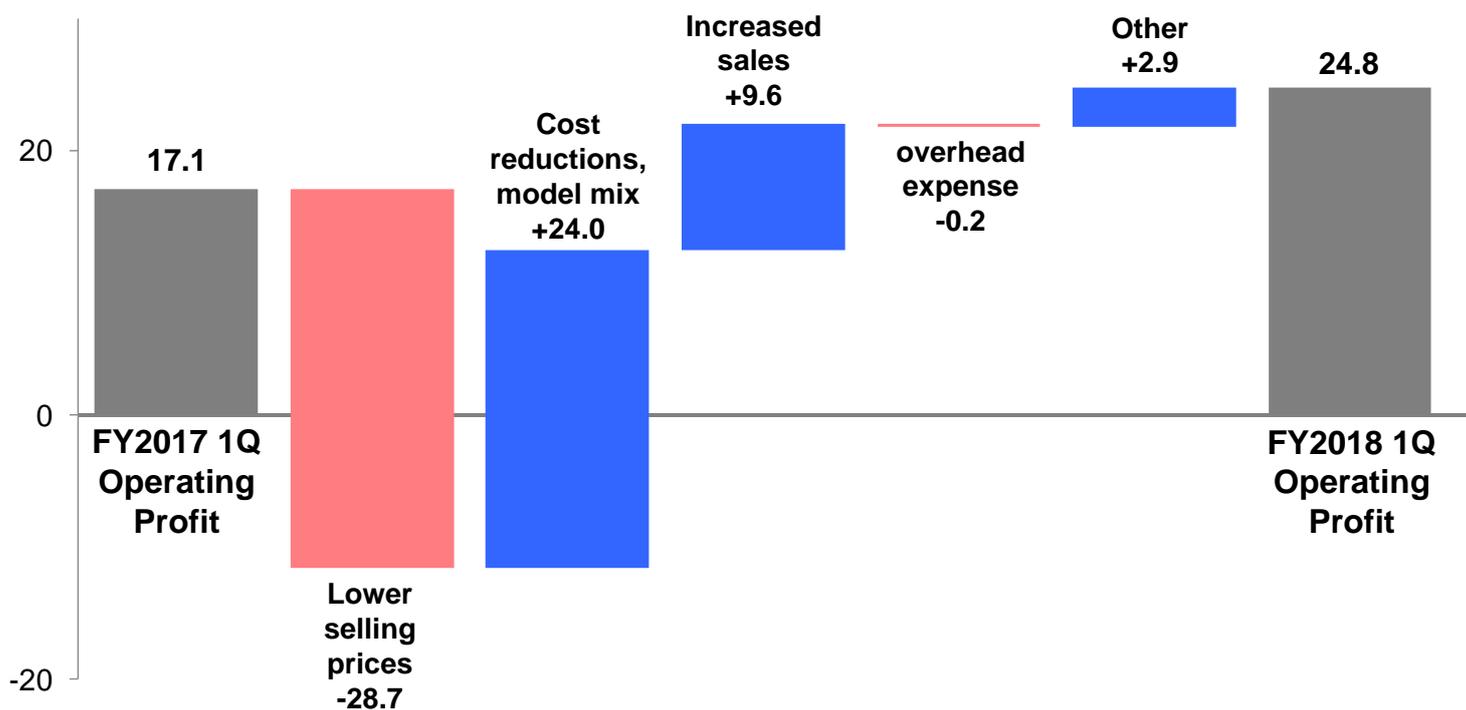


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3

Operating Profit Analysis (Y on Y) for the First Quarter, Fiscal 2018

(Billions of Yen)



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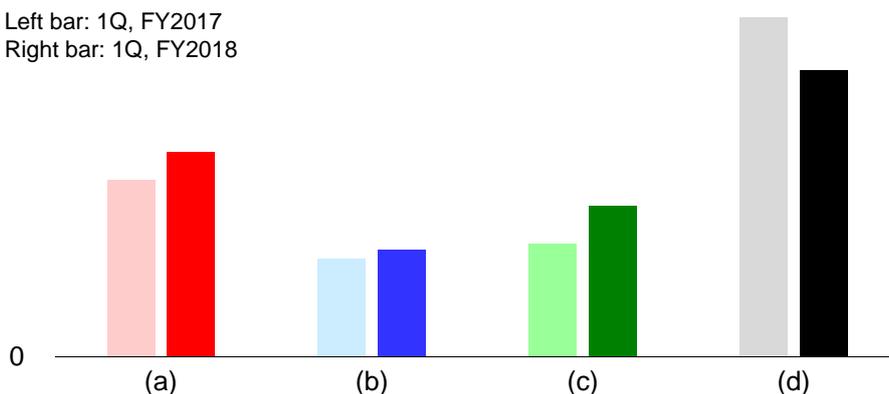
4

Sales by Segment

(Billions of Yen)

	FY2017	FY2018	
	1Q	1Q	Y on Y
(a) Smart Homes	130.2	150.5	+15.6%
(b) Smart Business Solutions	72.1	78.6	+8.9%
(c) IoT Electronics Devices	83.2	111.2	+33.6%
(d) Advance Display Systems	249.6	211.1	-15.4%
Subtotal	535.3	551.5	+3.0%
Adjustments	-28.8	-17.6	-
Total	506.4	533.8	+5.4%

Left bar: 1Q, FY2017
Right bar: 1Q, FY2018



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*Sales include inter-segment sales and transfers.

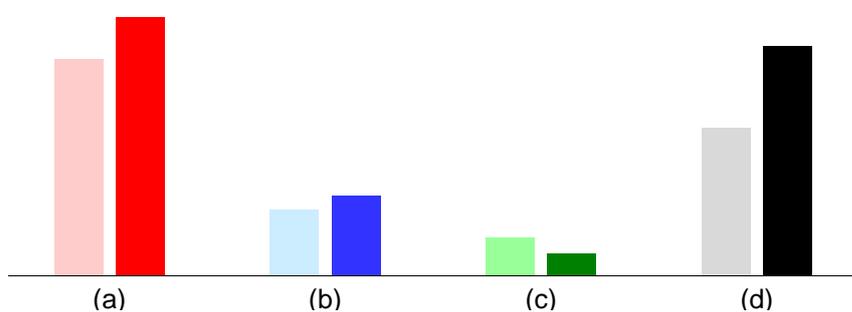
5

Operating Profit by Segment

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

	FY2017	FY2018	
	1Q	1Q	Y on Y
(a) Smart Homes	9.9 (7.6%)	11.8 (7.9%)	+19.9%
(b) Smart Business Solutions	3.0 (4.2%)	3.6 (4.7%)	+20.7%
(c) IoT Electronics Devices	1.7 (2.1%)	0.9 (0.9%)	-43.5%
(d) Advance Display Systems	6.7 (2.7%)	10.5 (5.0%)	+55.6%
Subtotal	21.4 (4.0%)	27.0 (4.9%)	+26.1%
Adjustments	-4.3	-2.2	-
Total	17.1 (3.4%)	24.8 (4.6%)	+45.0%

Left bar: 1Q, FY2017
Right bar: 1Q, FY2018



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6

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

(Billions of Yen)

	FY2017	FY2018	
	1Q	1Q	Difference (Y on Y)
Operating Profit	17.1	24.8	+7.7
Non-operating Income (Expenses)	0.0	-3.5	-3.5
Interest expense	-1.2	-1.1	+0.1
Foreign exchange loss	+2.3	-4.6	-6.9
Share of profit (loss) of entities accounted for using equity method	+0.5	-2.3	-2.8
Ordinary Profit	17.1	21.2	+4.1
Extraordinary Income (Losses)	-0.7	+0.8	+1.5
Loss on step acquisitions	-0.9	-	+0.9
Pretax Income	16.4	22.1	+5.7
Income Taxes, etc.	-1.9	-2.9	-1.0
Profit Attributable to Owners of Parent	14.4	19.2	+4.8

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7

Consolidated Balance Sheets

- Cash and deposits were 305.2 billion yen at June 30, 2018, compared to 422.3 billion yen on March 31, 2018. This result was mainly due to dividend payments and payments related to equipment
- Net assets as of June 30, 2018 amounted to 403.6 billion yen, an increase of 1.9 billion yen compared to March 31, 2018
- Equity ratio improved to 20.9%, breaking above 20% for the first time in six years and three months

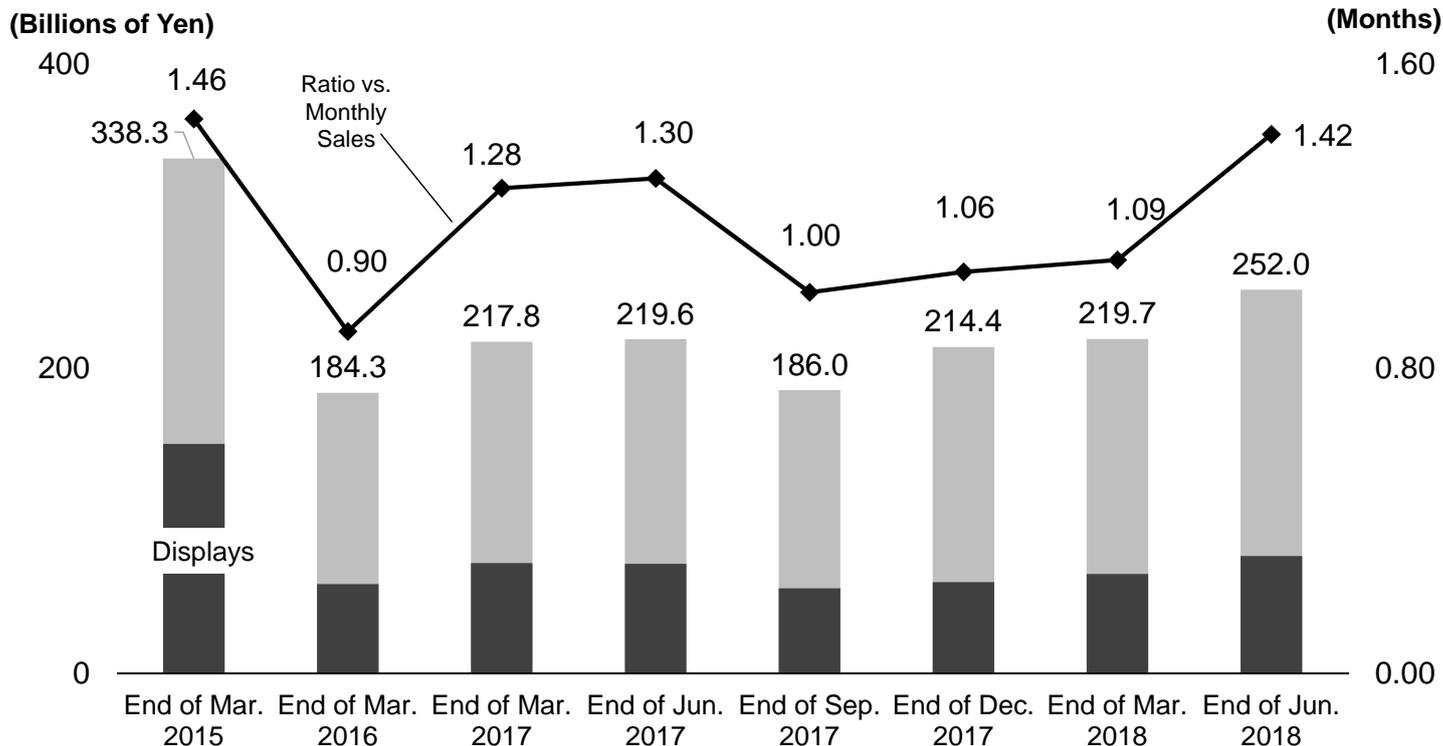
	FY2017		FY2018	Notable changes in cash and deposits (vs. FY2017)	FY2017		FY2018
	End of Dec.	End of Mar.	End of Jun.		End of Dec.	End of Mar.	End of Jun.
Cash and deposits	397.6	422.3	305.2	Dividend payments -21.0	510.4	429.4	385.3
Notes and accounts receivable - trade	578.8	471.5	442.1	Payments related to equipment -49.6	79.2	81.2	83.2
Inventories	214.4	219.7	252.0	Increase in inventories for Q2 sales and beyond, etc. -32.3	0.0	10.0	10.0
Other current assets	116.4	103.6	120.8		333.8	312.7	272.2
Current Assets	1,307.5	1,217.1	1,120.3		923.5	833.4	750.8
Property, plant and equipment	419.0	428.5	422.7	Notes and accounts payable - trade	40.0	30.0	30.0
Intangible assets	43.5	44.7	45.8	Short-term loans payable	505.2	507.0	506.7
Investments and other assets	227.5	217.8	244.8	Current portion of bonds payable	139.4	136.2	142.4
Non-current Assets	690.1	691.2	713.3	Other current liabilities	684.6	673.2	679.2
Deferred Assets	0.0	0.0	0.0	Non-current Liabilities	389.5	401.7	403.6
Total Assets	1,997.7	1,908.4	1,833.7	Net Assets	1,997.7	1,908.4	1,833.7
Exchange Rate, End of Period				Bonds payable			
USD/JPY	112.05	105.27	109.54	Long-term loans payable			
Euro/JPY	133.45	129.08	126.38	Other non-current liabilities			
				Non-current Liabilities			
				Total Liabilities and Net Assets			
				Equity Ratio	18.7%	19.8%	20.9%

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8

Inventory Trends

- Inventory amounted to 252.0 billion yen on June 30, 2018, compared to a balance of 219.7 billion yen as of March 31, 2018. This change was due in part to conversion of affiliates to consolidated subsidiaries and securing materials for introducing new products
- The company intends to maintain appropriate inventory levels reflecting future sales plans

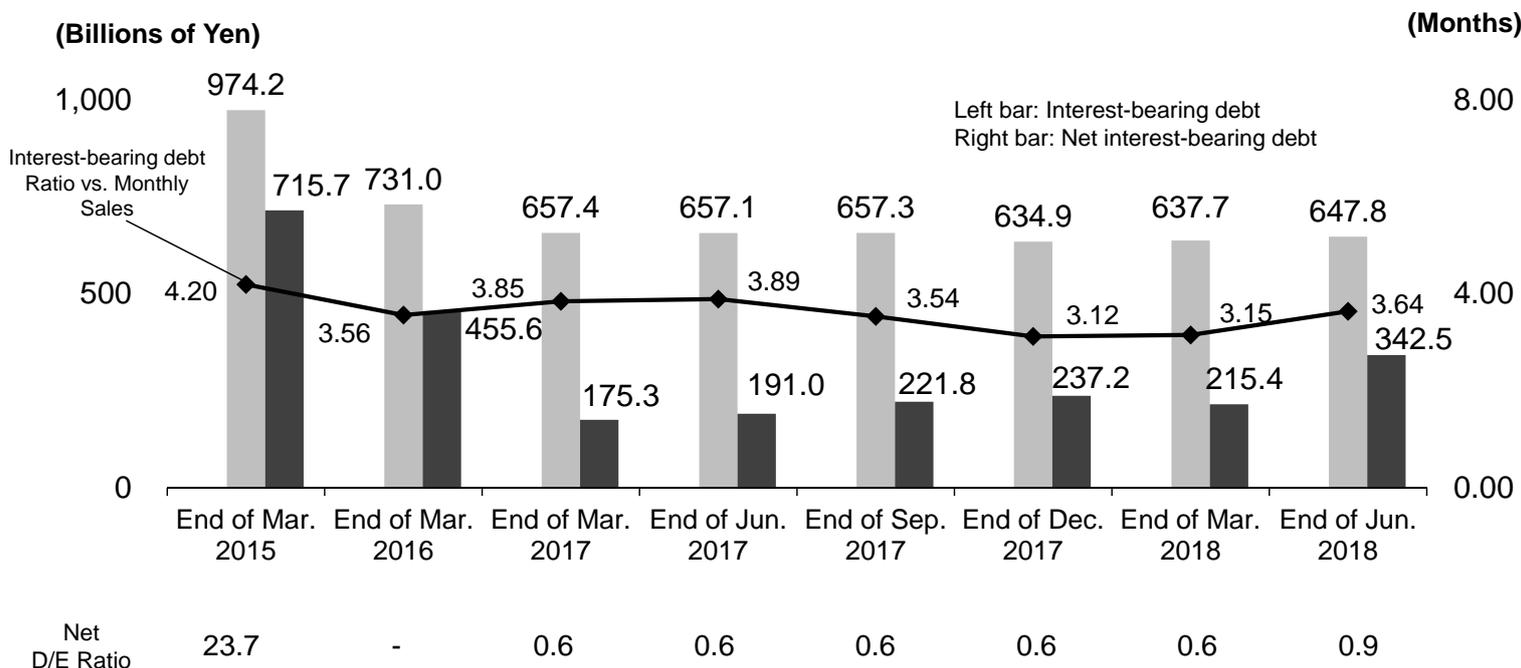


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9

Interest-Bearing Debt Trends

- Interest-bearing debt on June 30, 2018 amounted to 647.8 billion yen, compared to 633.7 billion yen as of March 31, 2018
- Interest-bearing debt to monthly sales ratio changed from 3.15 months to 3.64 months
- Net interest-bearing debt* amounted to 342.5 billion yen, compared to 215.4 billion yen as of March 31, 2018



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

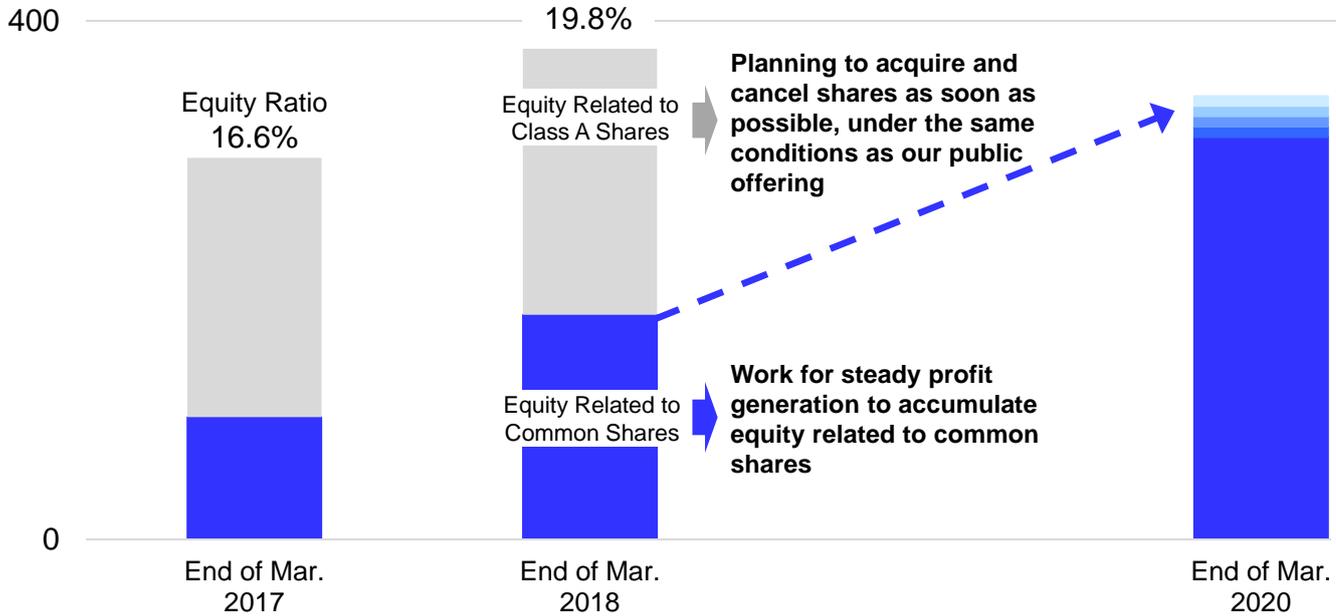
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10

Equity and Capital Funds

- Sharp has performed in line with our medium-term management plan, growing equity steadily
- The company plans to improve equity qualitatively, using cash on hand to purchase and cancel Class A shares as quickly as possible, as this class of shares involves both uncertainties and preferred dividend payments
- As profits have grown, we have been particularly conscientious in accounts receivable collections and inventory management to improve equity and capital efficiency; at the same time, we have been investing actively as needed to achieve our medium-term management plan and grow our businesses

(Billions of Yen)



*Common shares include Class C shares, which are equivalent to common shares

Changing the World with 8K and AIoT People-Oriented IoT

Smart Homes

9 categories 104 models



Enhance efficiency for customer service with AIoT

Expansion of AIoT Devices

COCORO MEMBERS

Expansion of AIoT Services

Provide AIoT Platform

Data Utilization

- COCORO VISION
- COCORO AIR
- COCORO PLAN
- COCORO EMOPA
- COCORO KITCHEN
- COCORO PET
- COCORO BOOKS
- COCORO VIDEO
- COCORO MUSIC
- COCORO GAME
- Healsio Deli

- Natural conversation
- Analyze living activity
- Good timing message
- Communication tool
- Failure prediction
- Multiple languages

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12

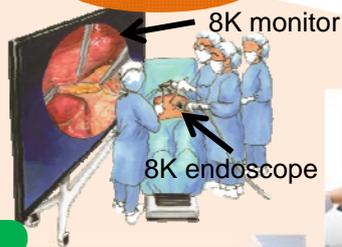
Changing the World with 8K and AIoT 8K Ecosystem

Industry

Infrastructure Maintenance

Medical

Art



Security

+5G +AI
8K Ecosystem

Education



Sightseeing

Entertainment

Broadcasting

Satellite broadcasting in Japan

Dec. 2018 Start

8K 4K

Develop various business fields

Camera and editing system

Data Storage

Distribution

Display

8K



Accelerate sales for 8K professional camcorder introduced in Dec. 2017

Collaborate with partners
Consider to expand 8K editing system

Build 8K-IP distribution system
Make various efforts such as demonstration experiment in our Sakai data center

8K



Expand reception environment for new 4K8K satellite broadcasting starting in Dec. 2018 in Japan

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13

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II . Supplementary Data

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Consolidated Financial Results

(Billions of Yen)

	FY2017			FY2018		
	First Half	Second Half	Fiscal Year	First Half Forecast	Second Half Forecast	Fiscal Year Forecast
Net Sales	1,115.1	1,312.1	2,427.2	1,300.0	1,590.0	2,890.0
Operating Profit	40.5	49.5	90.1	46.0	64.0	110.0
(margin)	(3.6%)	(3.8%)	(3.7%)	(3.5%)	(4.0%)	(3.8%)
Ordinary Profit	41.1	48.1	89.3	43.0	57.0	100.0
(margin)	(3.7%)	(3.7%)	(3.7%)	(3.3%)	(3.6%)	(3.5%)
Profit Attributable to Owners of Parent	34.7	35.4	70.2	36.0	44.0	80.0
(margin)	(3.1%)	(2.7%)	(2.9%)	(2.8%)	(2.8%)	(2.8%)

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15

Consolidated Quarterly Financial Results

(Billions of Yen)

	FY2017				FY2018
	1Q	2Q	3Q	4Q	1Q
Net Sales	506.4	608.7	714.2	597.8	533.8
Operating Profit	17.1	23.4	29.7	19.7	24.8
(margin)	(3.4%)	(3.9%)	(4.2%)	(3.3%)	(4.6%)
Ordinary Profit	17.1	23.9	29.9	18.2	21.2
(margin)	(3.4%)	(3.9%)	(4.2%)	(3.0%)	(4.0%)
Profit Attributable to Owners of Parent	14.4	20.2	20.6	14.8	19.2
(margin)	(2.9%)	(3.3%)	(2.9%)	(2.5%)	(3.6%)

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16

Sales by Segment

(Billions of Yen)

	FY2017		
	First Half	Second Half	Fiscal Year
Smart Homes	290.6	317.3	607.9
Smart Business Solutions	162.7	168.4	331.1
IoT Electronics Devices	192.2	299.2	491.5
Advance Display Systems	521.6	564.9	1,086.5
Subtotal	1,167.2	1,349.9	2,517.2
Adjustments	-52.0	-37.8	-89.9
Total	1,115.1	1,312.1	2,427.2

*Sales include inter-segment sales and transfers.

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17

Operating Profit by Segment

(Billions of Yen)

	FY2017		
	First Half	Second Half	Fiscal Year
Smart Homes	20.4 (7.0%)	23.2 (7.3%)	43.7 (7.2%)
Smart Business Solutions	8.9 (5.5%)	11.2 (6.7%)	20.1 (6.1%)
IoT Electronics Devices	3.6 (1.9%)	1.5 (0.5%)	5.1 (1.0%)
Advance Display Systems	16.3 (3.1%)	20.6 (3.7%)	37.0 (3.4%)
Subtotal	49.3 (4.2%)	56.7 (4.2%)	106.0 (4.2%)
Adjustments	-8.7	-7.1	-15.9
Total	40.5 (3.6%)	49.5 (3.8%)	90.1 (3.7%)

*Figures within parentheses indicate operating margin.

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18

Quarterly Sales by Segment

(Billions of Yen)

	FY2017				FY2018
	1Q	2Q	3Q	4Q	1Q
Smart Homes	130.2	160.4	148.9	168.3	150.5
Smart Business Solutions	72.1	90.5	80.1	88.2	78.6
IoT Electronics Devices	83.2	109.0	189.3	109.8	111.2
Advance Display Systems	249.6	271.9	314.6	250.2	211.1
Subtotal	535.3	631.9	733.2	616.7	551.5
Adjustments	-28.8	-23.1	-18.9	-18.9	-17.6
Total	506.4	608.7	714.2	597.8	533.8

*Sales include inter-segment sales and transfers.

Quarterly Operating Profit by Segment

(Billions of Yen)

	FY2017				FY2018
	1Q	2Q	3Q	4Q	1Q
Smart Homes	9.9 (7.6%)	10.5 (6.6%)	10.6 (7.2%)	12.5 (7.5%)	11.8 (7.9%)
Smart Business Solutions	3.0 (4.2%)	5.8 (6.5%)	3.6 (4.5%)	7.6 (8.6%)	3.6 (4.7%)
IoT Electronics Devices	1.7 (2.1%)	1.8 (1.7%)	5.1 (2.7%)	-3.5 (-3.2%)	0.9 (0.9%)
Advance Display Systems	6.7 (2.7%)	9.6 (3.5%)	13.1 (4.2%)	7.4 (3.0%)	10.5 (5.0%)
Subtotal	21.4 (4.0%)	27.8 (4.4%)	32.6 (4.4%)	24.0 (3.9%)	27.0 (4.9%)
Adjustments	-4.3	-4.4	-2.8	-4.3	-2.2
Total	17.1 (3.4%)	23.4 (3.9%)	29.7 (4.2%)	19.7 (3.3%)	24.8 (4.6%)

*Figures within parentheses indicate operating margin.

Capital Investment/Depreciation and Amortization ,etc.

				(Billions of Yen)	
	FY2017			FY2018	
	First Half	Second Half	Fiscal Year	Fiscal Year Forecast	
Capital Investment	73.2	46.1	119.3	120.0	
Displays	16.7	18.7	35.5	40.0	
Depreciation and Amortization	28.8	39.6	68.4	88.0	
R&D Expenditures	50.2	50.2	100.5	110.0	
	(Yen)				
Avg. Exchange Rate	FY2017			FY2018	
	First Half	Second Half	Fiscal Year	Fiscal Year Forecast	
US Dollar	110.07	109.64	109.86	102.00	
Euro	124.79	131.62	128.20	126.00	

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21

Quarterly Capital Investment and Depreciation, etc.

					(Billions of Yen)	
	FY2017				FY2018	
	1Q	2Q	3Q	4Q	1Q	
Capital Investment	18.8	54.4	33.7	12.3	11.3	
Displays	3.2	13.5	11.0	7.7	4.4	
Depreciation and Amortization	14.1	14.6	19.4	20.1	17.1	
R&D Expenditures	28.7	21.5	30.8	19.3	30.4	
	(Yen)					
Avg. Exchange Rate	FY2017				FY2018	
	1Q	2Q	3Q	4Q	1Q	
US Dollar	110.10	110.04	111.98	107.30	108.07	
Euro	120.69	128.88	131.51	131.73	128.56	

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21

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