

Consolidated Financial Results for the Second Quarter, Fiscal 2019

I . Consolidated Financial Results for the First Half, Fiscal 2019

II . Supplementary Data

SHARP CORPORATION
November 1, 2019

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 Half, Fiscal 2019

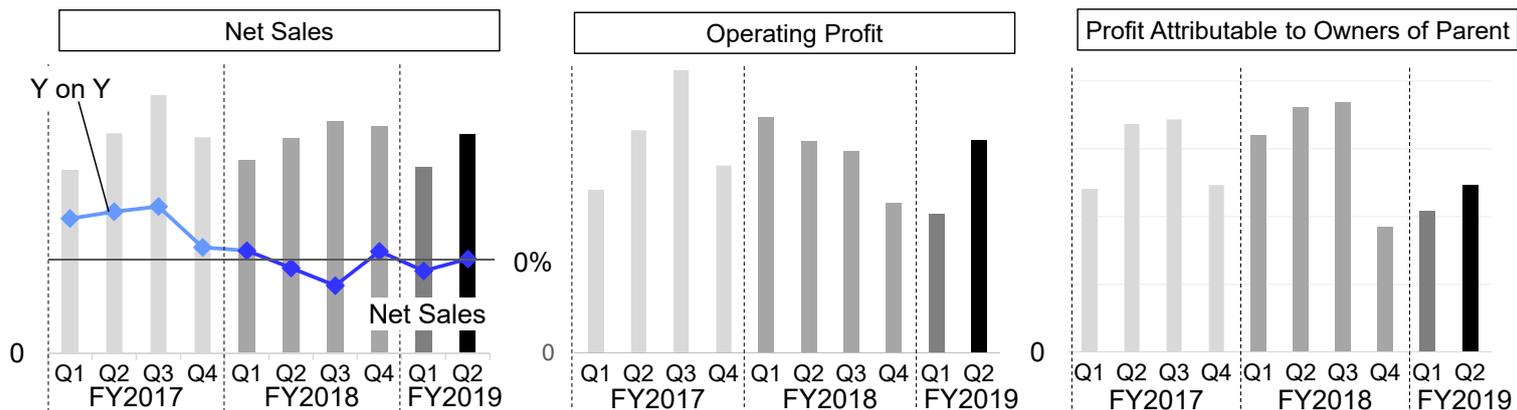
Consolidated Financial Results for the Second Quarter, Fiscal 2019 (1)

- Despite a continued challenging business environment, including the prolonged U.S.-China trade frictions, Sharp recorded steady profits for Q2, FY2019.
- On a quarterly basis, performance is recovering from a low in Q4, FY2018.
- Every profit measure for Q2 grew from Q1. Operating profit, in particular, showed significant improvement, outperforming the same period in the prior fiscal year.

Consolidated Financial Results for the Second Quarter, Fiscal 2019 (2)

(Billions of Yen)

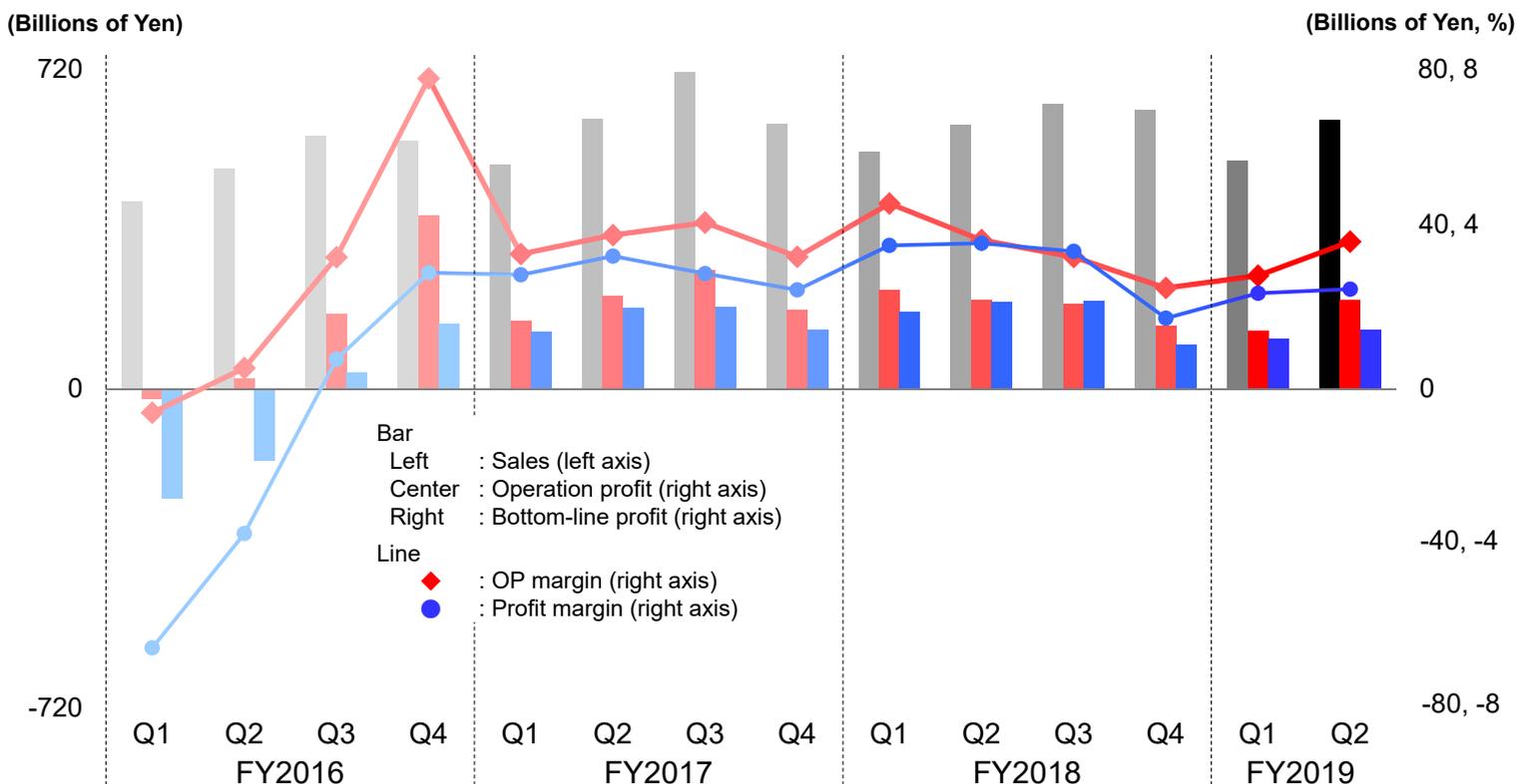
	FY2018				FY2019		
	Q1	Q2	Q3	Q4	Q1	Q2	Y on Y
Net Sales	533.8	595.1	642.5	628.5	514.9	605.6	+1.8%
Operating Profit	24.8 (4.6%)	22.2 (3.7%)	21.2 (3.3%)	15.8 (2.5%)	14.6 (2.8%)	22.3 (3.7%)	+0.6%
Ordinary Profit	21.2 (4.0%)	21.9 (3.7%)	18.8 (2.9%)	6.9 (1.1%)	13.9 (2.7%)	19.1 (3.2%)	-12.6%
Profit Attributable to Owners of Parent	19.2 (3.6%)	21.7 (3.7%)	22.1 (3.4%)	11.1 (1.8%)	12.5 (2.4%)	14.8 (2.5%)	-31.6%
Avg. Exchange Rate							
USD/JPY	108.07	110.46	111.90	109.21	108.90	106.35	
Euro/JPY	128.56	128.12	127.28	123.66	121.99	117.84	



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Consolidated Financial Results for the Second Quarter, Fiscal 2019 (3)

- Q2, FY2019 performance continued to recover from a low in Q4, FY2018
- Operating profit margin and final profit margin improved for a second consecutive quarter. Operating profit, in particular, was significantly higher compared with Q1.

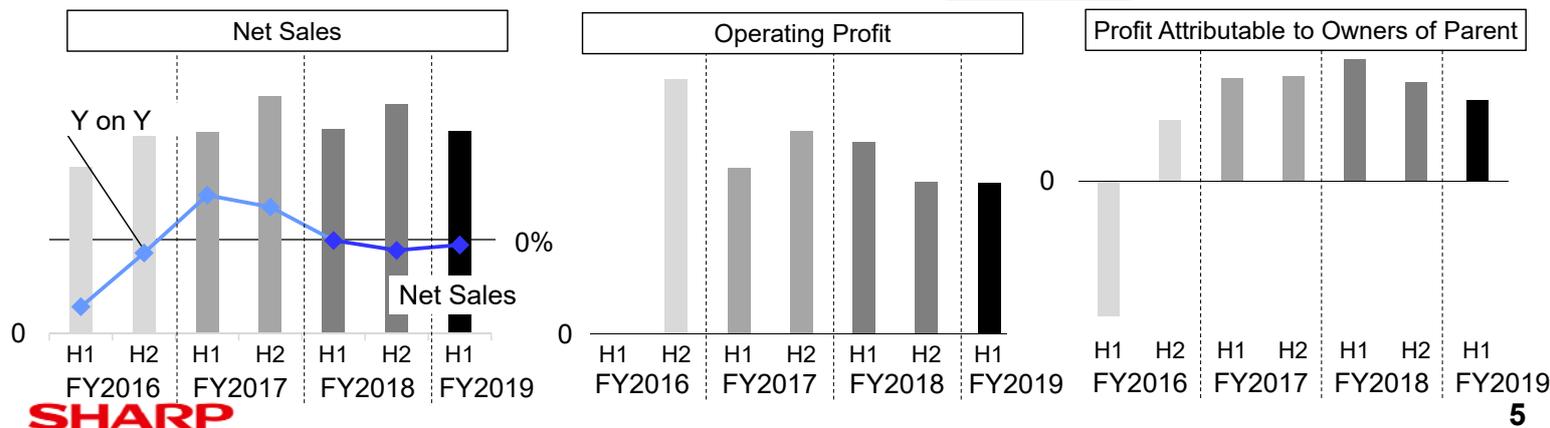


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Consolidated Financial Results for the First Half, Fiscal 2019

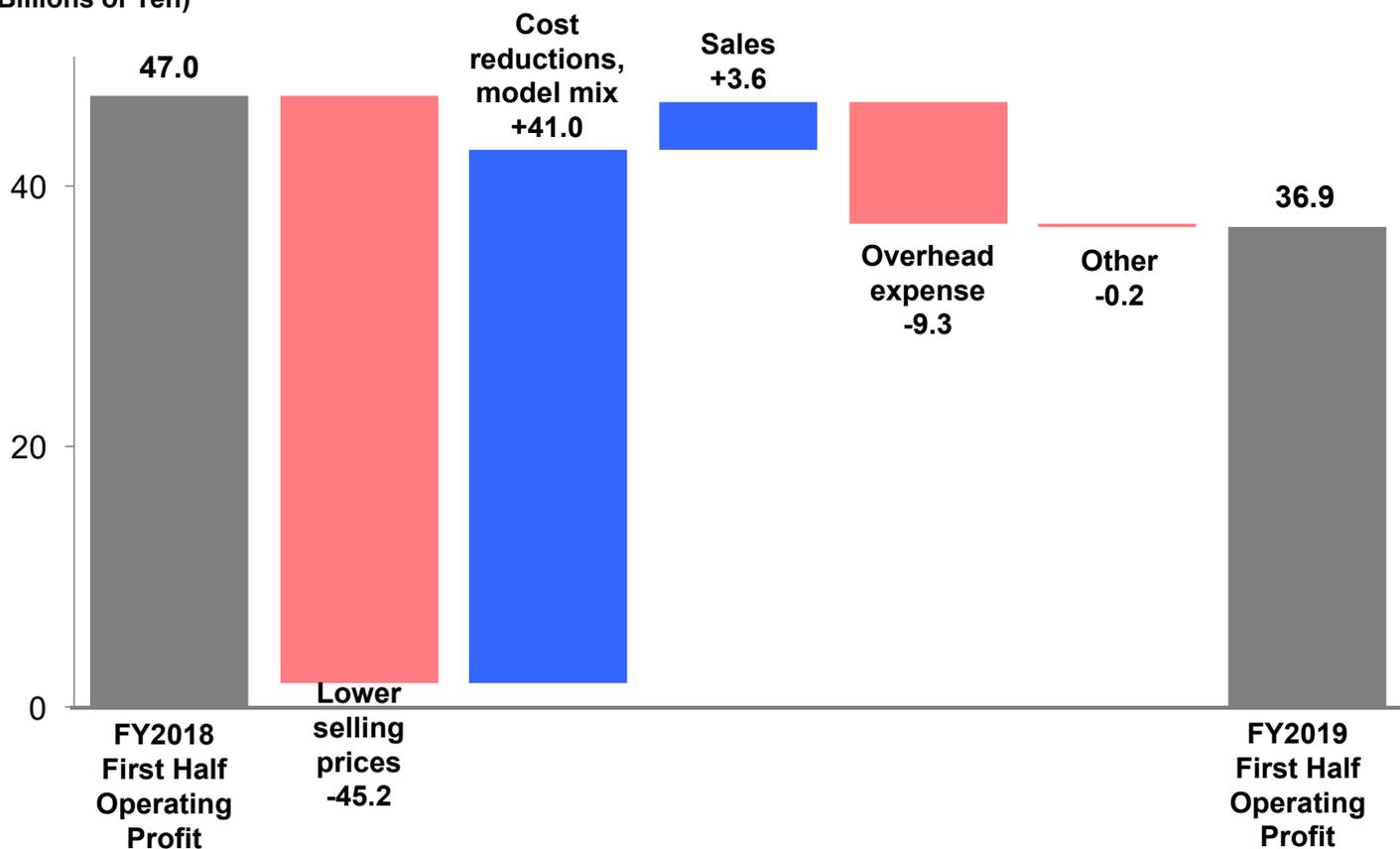
(Billions of Yen)

	FY2018			FY2019		FY2019 First-Half Forecast (5/9)
	First Half	Second Half	Fiscal Year	First Half	Y on Y	
Net Sales	1,129.0	1,271.0	2,400.0	1,120.6	-0.7%	1,200.0
Operating Profit	47.0 (4.2%)	37.1 (2.9%)	84.1 (3.5%)	36.9 (3.3%)	-21.4%	44.0 (3.7%)
Ordinary Profit	43.2 (3.8%)	25.7 (2.0%)	69.0 (2.9%)	33.1 (3.0%)	-23.4%	42.0 (3.5%)
Profit Attributable to Owners of Parent	40.9 (3.6%)	33.2 (2.6%)	74.2 (3.1%)	27.3 (2.4%)	-33.1%	37.0 (3.1%)
Avg. Exchange Rate						
USD/JPY	109.27	110.55	109.91	107.63		
Euro/JPY	128.34	125.47	126.90	119.91		

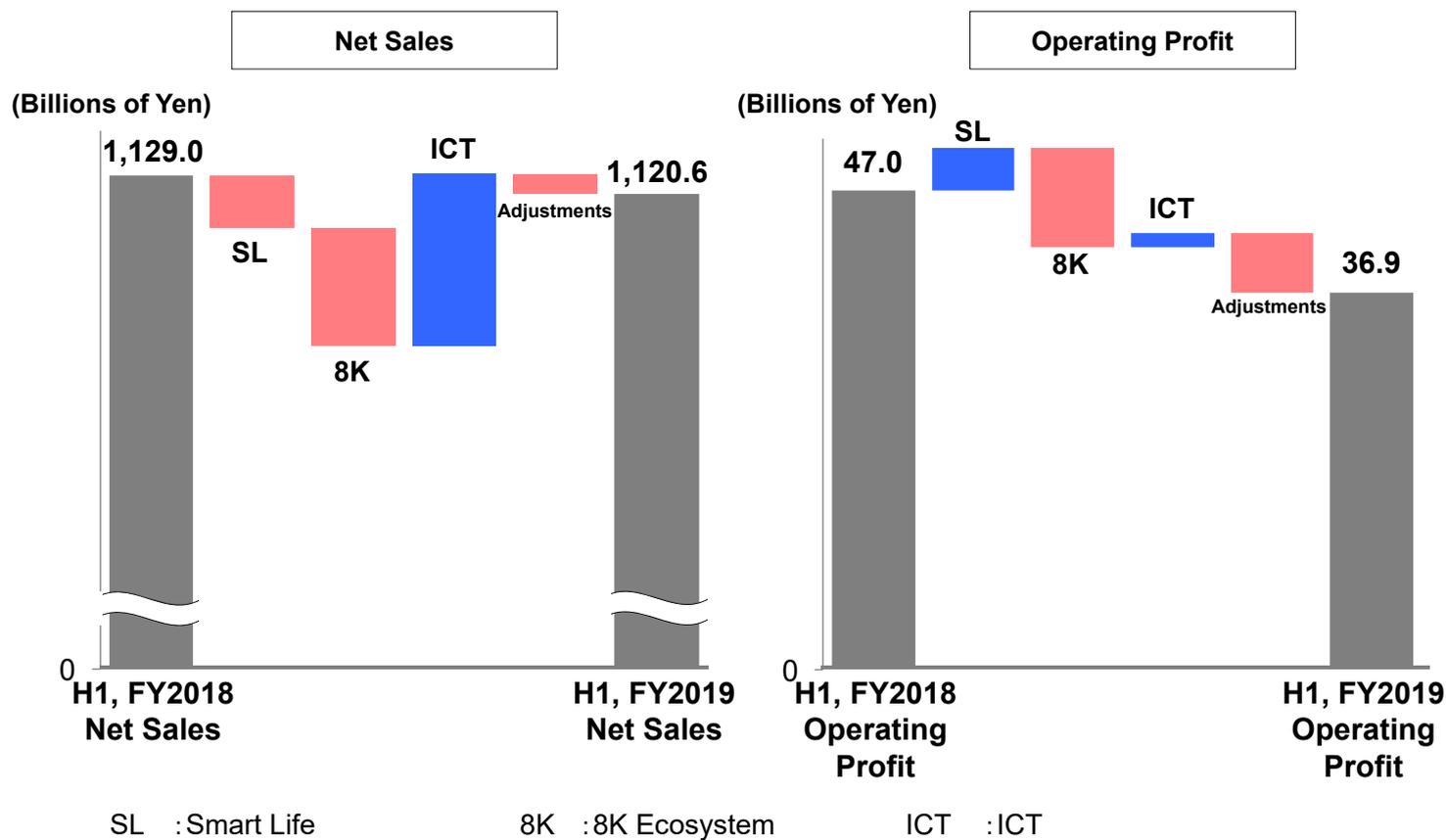


Operating Profit Analysis : Y on Y Change Factors for the First Half, Fiscal 2019

(Billions of Yen)



Sales and Operating Profit Analysis: Y on Y Change by Segment for the First Half, Fiscal 2019

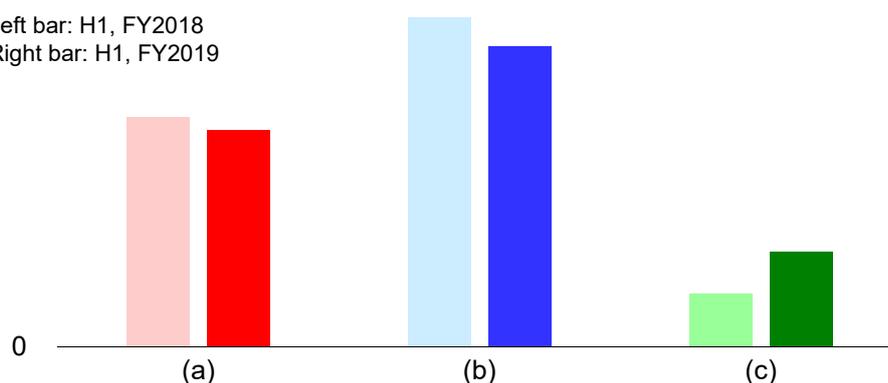


Sales by Segment

(Billions of Yen)

	FY2018						FY2019			
	Q1	Q2	H1	Q3	Q4	H2	Q1	Q2	H1	Y on Y
(a) Smart Life	203.1	235.3	438.4	233.1	224.9	458.1	180.6	233.3	414.0	-5.6%
(b) 8K Ecosystem	291.1	337.6	628.7	350.4	334.2	684.7	262.5	311.8	574.4	-8.6%
(c) ICT	56.9	43.5	100.5	78.2	104.1	182.3	96.5	83.7	180.3	+79.4%
Subtotal	551.3	616.4	1,167.8	661.8	663.4	1,325.2	539.8	628.9	1,168.8	+0.1%
Adjustments	-17.4	-21.3	-38.7	-19.3	-34.8	-54.2	-24.8	-23.3	-48.1	-
Total	533.8	595.1	1,129.0	642.5	628.5	1,271.0	514.9	605.6	1,120.6	-0.7%

Left bar: H1, FY2018
Right bar: H1, FY2019



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*Sales include inter-segment sales and transfers.

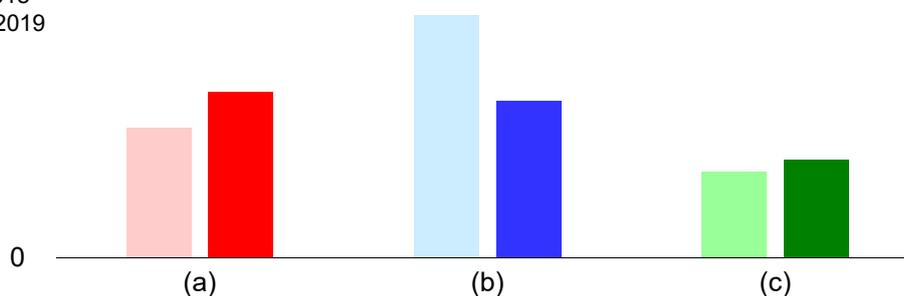
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Operating Profit by Segment

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

	FY2018						FY2019			
	Q1	Q2	H1	Q3	Q4	H2	Q1	Q2	H1	Y on Y
(a) Smart Life	5.6 (2.8%)	8.9 (3.8%)	14.5 (3.3%)	11.1 (4.8%)	5.1 (2.3%)	16.3 (3.6%)	6.2 (3.5%)	12.4 (5.3%)	18.6 (4.5%)	+27.9%
(b) 8K Ecosystem	14.1 (4.9%)	13.1 (3.9%)	27.3 (4.3%)	13.2 (3.8%)	6.8 (2.1%)	20.0 (2.9%)	6.5 (2.5%)	11.0 (3.5%)	17.6 (3.1%)	-35.5%
(c) ICT	7.3 (12.9%)	2.3 (5.5%)	9.7 (9.7%)	2.8 (3.7%)	8.7 (8.4%)	11.6 (6.4%)	7.3 (7.6%)	3.7 (4.5%)	11.0 (6.1%)	+14.0%
Subtotal	27.0 (4.9%)	24.5 (4.0%)	51.6 (4.4%)	27.2 (4.1%)	20.8 (3.1%)	48.0 (3.6%)	20.1 (3.7%)	27.2 (4.3%)	47.3 (4.1%)	-8.3%
Adjustments	-2.2	-2.3	-4.6	-5.9	-4.9	-10.9	-5.5	-4.8	-10.4	-
Total	24.8 (4.6%)	22.2 (3.7%)	47.0 (4.2%)	21.2 (3.3%)	15.8 (2.5%)	37.1 (2.9%)	14.6 (2.8%)	22.3 (3.7%)	36.9 (3.3%)	-21.4%

Left bar: H1, FY2018
Right bar: H1, FY2019



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

(Billions of Yen)

	FY2018			FY2019			Difference (Y on Y)
	Q1	Q2	H1	Q1	Q2	H1	
Operating Profit	24.8	22.2	47.0	14.6	22.3	36.9	-10.1
Non-operating Income (Expenses)	-3.5	-0.2	-3.7	-0.6	-3.1	-3.8	-0.1
Interest expense	-1.1	-1.0	-2.1	-1.2	-1.0	-2.3	-0.2
Foreign exchange gain (loss)	-4.6	+0.9	-3.6	+0.1	-0.7	-0.5	+3.1
Share of profit (loss) of entities accounted for using equity method	-2.3	-0.9	-3.2	-0.9	-1.6	-2.5	+0.7
Ordinary Profit	21.2	21.9	43.2	13.9	19.1	33.1	-10.1
Extraordinary Income (Losses)	+0.8	+0.5	+1.3	+0.0	+0.1	+0.1	-1.2
Pretax Income	22.1	22.4	44.5	13.9	19.3	33.2	-11.3
Income Taxes, etc.	-2.9	-0.6	-3.6	-1.4	-4.4	-5.8	-2.2
Profit Attributable to Owners of Parent	19.2	21.7	40.9	12.5	14.8	27.3	-13.6

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Consolidated Balance Sheets

- Cash and deposits decreased since the end of June, mainly due to the redemption of bonds.
- Due to the recording of steady profits, net assets and equity ratio increased.

(Billions of Yen)

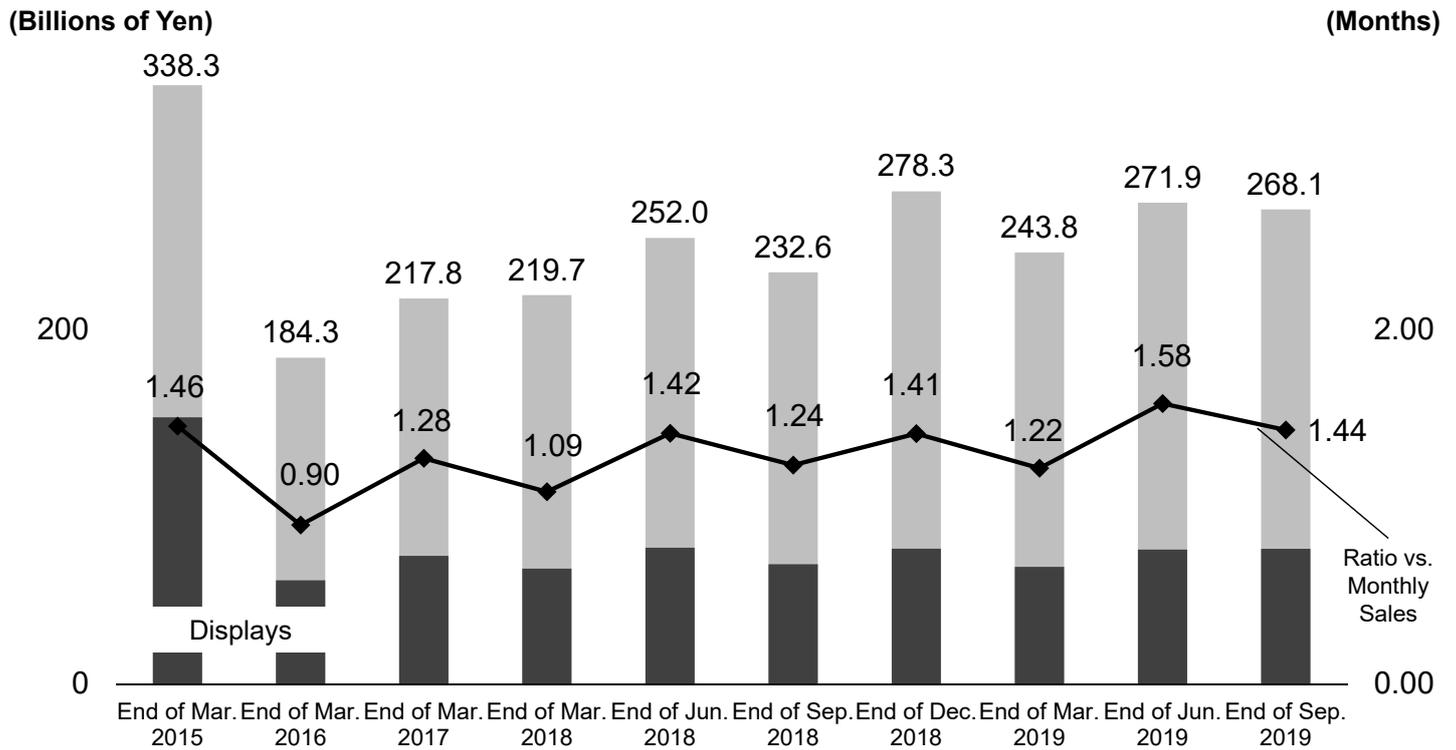
	FY2018	FY2019			FY2018	FY2019	
	End of Mar.	End of Jun.	End of Sep.		End of Mar.	End of Jun.	End of Sep.
Cash and deposits	266.6	238.4	211.7	Notes and accounts payable - trade	410.3	379.2	379.4
Notes and accounts receivable - trade	539.9	497.1	510.0	Short-term loans payable	81.4	205.9	219.2
Inventories	243.8	271.9	268.1	Current portion of bonds payable	30.0	30.0	0.0
Other current assets	90.9	110.3	120.7	Other current liabilities	291.3	288.6	300.8
Current Assets	1,141.3	1,117.9	1,110.7	Current Liabilities	813.1	903.9	899.5
Property, plant and equipment	405.0	405.8	410.8	Bonds payable	0.0	0.0	0.0
Intangible assets	39.6	39.3	43.3	Long-term loans payable	538.2	537.7	537.3
Investments and other assets	280.2	283.3	300.3	Other non-current liabilities	142.5	137.3	135.2
Non-current Assets	724.9	728.5	754.5	Non-current Liabilities	680.7	675.1	672.5
Deferred Assets	0.0	0.0	0.0	Net Assets	372.4	267.3	293.1
Total Assets	1,866.3	1,846.4	1,865.2	Total Liabilities and Net Assets	1,866.3	1,846.4	1,865.2
Exchange Rate, End of Period				Equity Ratio	18.8%	13.5%	14.7%
USD/JPY	110.01	106.75	106.96	Equity	350.6	248.7	273.8
Euro/JPY	123.06	120.96	116.54				

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Inventory Trends

- Inventory amounted to 268.1 billion yen, compared to a balance of 271.9 billion yen as of Jun. 30, 2019.
- We will continue to maintain appropriate levels of inventory in response to our sales plans.

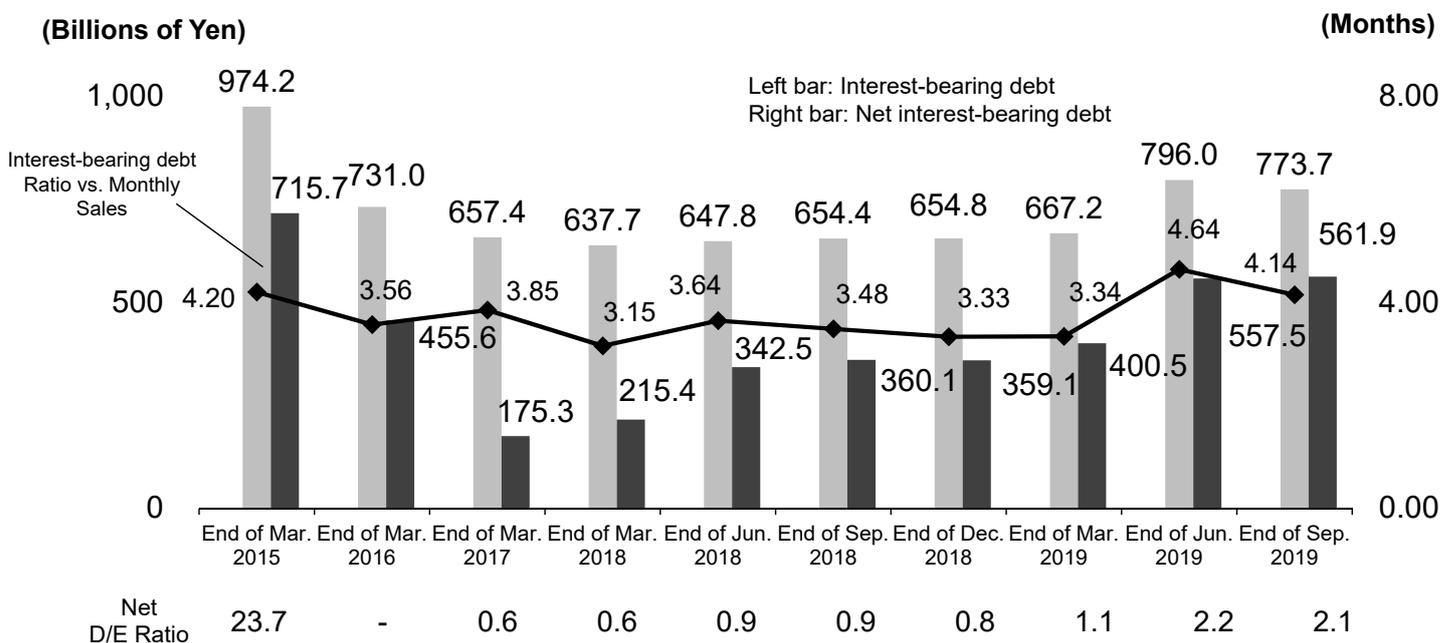


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Interest-Bearing Debt Trends

- Interest-bearing debt was 773.7 billion yen, compared to a balance of 796.0 billion yen as of Jun. 30, 2019. Interest-bearing debt to monthly sales ratio was 4.14 months, compared to 4.64 months as of Jun. 30, 2019.
- Net interest-bearing debt* was 561.9 billion yen, compared to 557.5 billion yen as of Jun. 30, 2019.



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

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Fiscal 2019 Major Second-Half Initiatives

Toward Changing the World with 8K+5G and AIoT,
we are strengthening our capacity for growth through
an accelerated transformation

- (1) Steadily capture recovering customer demand for a significant recovery in device and display businesses
- (2) Capture new customers to expand our global business mainly in Europe, the Americas, and China
- (3) Strengthen B2B businesses in energy, white goods, and TVs
- (4) Introduce compatible devices in a timely manner in conjunction with the start of 5G services
- (5) Strengthen businesses in 8K devices and other new products
- (6) Expand IoT, Cloud, Smart Life, and other services
- (7) Leverage cross-industry partnerships, M&A, and other means to steadily achieve the measures above

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Consolidated Financial Results Forecast for Fiscal 2019

(Billions of Yen)

	FY2018	FY2019			Y on Y
	Fiscal Year	First-Half	Second-Half Forecast	Fiscal Year Forecast	
Net Sales	2,400.0	1,120.6	1,529.4	2,650.0	+10.4%
Operating Profit	84.1	36.9	63.1	100.0	+18.8%
(margin)	(3.5%)	(3.3%)	(4.1%)	(3.8%)	
Ordinary Profit	69.0	33.1	61.9	95.0	+37.7%
(margin)	(2.9%)	(3.0%)	(4.0%)	(3.6%)	
Profit Attributable to Owners of Parent	74.2	27.3	52.7	80.0	+7.8%
(margin)	(3.1%)	(2.4%)	(3.4%)	(3.0%)	
Avg. Exchange Rate					
USD/JPY	109.91	107.63	105.00		
Euro/JPY	126.90	119.91	120.00		

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Consolidated Financial Results

(Billions of Yen)

	FY2018			FY2019		
	First Half	Second Half	Fiscal Year	First Half	Second Half Forecast	Fiscal Year Forecast
Net Sales	1,129.0	1,271.0	2,400.0	1,120.6	1,529.4	2,650.0
Operating Profit	47.0	37.1	84.1	36.9	63.1	100.0
(margin)	(4.2%)	(2.9%)	(3.5%)	(3.3%)	(4.1%)	(3.8%)
Ordinary Profit	43.2	25.7	69.0	33.1	61.9	95.0
(margin)	(3.8%)	(2.0%)	(2.9%)	(3.0%)	(4.0%)	(3.6%)
Profit Attributable to Owners of Parent	40.9	33.2	74.2	27.3	52.7	80.0
(margin)	(3.6%)	(2.6%)	(3.1%)	(2.4%)	(3.4%)	(3.0%)

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Consolidated Quarterly Financial Results

(Billions of Yen)

	FY2018				FY2019	
	Q1	Q2	Q3	Q4	Q1	Q2
Net Sales	533.8	595.1	642.5	628.5	514.9	605.6
Operating Profit	24.8	22.2	21.2	15.8	14.6	22.3
(margin)	(4.6%)	(3.7%)	(3.3%)	(2.5%)	(2.8%)	(3.7%)
Ordinary Profit	21.2	21.9	18.8	6.9	13.9	19.1
(margin)	(4.0%)	(3.7%)	(2.9%)	(1.1%)	(2.7%)	(3.2%)
Profit Attributable to Owners of Parent	19.2	21.7	22.1	11.1	12.5	14.8
(margin)	(3.6%)	(3.7%)	(3.4%)	(1.8%)	(2.4%)	(2.5%)

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Sales by Segment

(Billions of Yen)

	FY2018			FY2019
	First Half	Second Half	Fiscal Year	First Half
Smart Life	438.4	458.1	896.6	414.0
8K Ecosystem	628.7	684.7	1,313.5	574.4
ICT	100.5	182.3	282.9	180.3
Subtotal	1,167.8	1,325.2	2,493.0	1,168.8
Adjustments	-38.7	-54.2	-93.0	-48.1
Total	1,129.0	1,271.0	2,400.0	1,120.6

*Sales include inter-segment sales and transfers.

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Operating Profit by Segment

(Billions of Yen)

	FY2018			FY2019
	First Half	Second Half	Fiscal Year	First Half
Smart Life	14.5 (3.3%)	16.3 (3.6%)	30.9 (3.4%)	18.6 (4.5%)
8K Ecosystem	27.3 (4.3%)	20.0 (2.9%)	47.3 (3.6%)	17.6 (3.1%)
ICT	9.7 (9.7%)	11.6 (6.4%)	21.3 (7.6%)	11.0 (6.1%)
Subtotal	51.6 (4.4%)	48.0 (3.6%)	99.6 (4.0%)	47.3 (4.1%)
Adjustments	-4.6	-10.9	-15.5	-10.4
Total	47.0 (4.2%)	37.1 (2.9%)	84.1 (3.5%)	36.9 (3.3%)

*Figures within parentheses indicate operating margin.

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Quarterly Sales by Segment

	(Billions of Yen)					
	FY2018				FY2019	
	Q1	Q2	Q3	Q4	Q1	Q2
Smart Life	203.1	235.3	233.1	224.9	180.6	233.3
8K Ecosystem	291.1	337.6	350.4	334.2	262.5	311.8
ICT	56.9	43.5	78.2	104.1	96.5	83.7
Subtotal	551.3	616.4	661.8	663.4	539.8	628.9
Adjustments	-17.4	-21.3	-19.3	-34.8	-24.8	-23.3
Total	533.8	595.1	642.5	628.5	514.9	605.6

*Sales include inter-segment sales and transfers.

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Quarterly Operating Profit by Segment

	(Billions of Yen)					
	FY2018				FY2019	
	Q1	Q2	Q3	Q4	Q1	Q2
Smart Life	5.6 (2.8%)	8.9 (3.8%)	11.1 (4.8%)	5.1 (2.3%)	6.2 (3.5%)	12.4 (5.3%)
8K Ecosystem	14.1 (4.9%)	13.1 (3.9%)	13.2 (3.8%)	6.8 (2.1%)	6.5 (2.5%)	11.0 (3.5%)
ICT	7.3 (12.9%)	2.3 (5.5%)	2.8 (3.7%)	8.7 (8.4%)	7.3 (7.6%)	3.7 (4.5%)
Subtotal	27.0 (4.9%)	24.5 (4.0%)	27.2 (4.1%)	20.8 (3.1%)	20.1 (3.7%)	27.2 (4.3%)
Adjustments	-2.2	-2.3	-5.9	-4.9	-5.5	-4.8
Total	24.8 (4.6%)	22.2 (3.7%)	21.2 (3.3%)	15.8 (2.5%)	14.6 (2.8%)	22.3 (3.7%)

*Figures within parentheses indicate operating margin.

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Capital Investment / Depreciation and Amortization, etc.

(Billions of Yen)

	FY2018			FY2019		
	First Half	Second Half	Fiscal Year	First Half	Second Half Forecast	Fiscal Year Forecast
Capital Investment	27.8	28.1	55.9	29.3	40.7	70.0
Displays	9.2	14.5	23.8	10.2	23.2	33.4
Depreciation and Amortization	34.5	37.3	71.9	30.8	39.2	70.0
R&D Expenditures	53.8	54.7	108.5	49.9	60.1	110.0

(Yen)

Avg. Exchange Rate	FY2018			FY2019	
	First Half	Second Half	Fiscal Year	First Half	Second Half Forecast
US Dollar	109.27	110.55	109.91	107.63	105.00
Euro	128.34	125.47	126.90	119.91	120.00

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Quarterly Capital Investment and Depreciation, etc.

(Billions of Yen)

	FY2018				FY2019	
	Q1	Q2	Q3	Q4	Q1	Q2
Capital Investment	11.3	16.4	14.7	13.4	9.0	20.2
Displays	4.4	4.7	8.3	6.2	3.6	6.6
Depreciation and Amortization	17.1	17.3	18.9	18.4	14.9	15.9
R&D Expenditures	30.4	23.3	32.0	22.6	28.9	21.0

(Yen)

Avg. Exchange Rate	FY2018				FY2019	
	Q1	Q2	Q3	Q4	Q1	Q2
US Dollar	108.07	110.46	111.90	109.21	108.90	106.35
Euro	128.56	128.12	127.28	123.66	121.99	117.84

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