

Consolidated Financial Results for the Second Quarter, Fiscal 2020

I . Consolidated Financial Results for the Second Quarter, Fiscal 2020

Consolidated Financial Results Forecast for Fiscal 2020

II . Supplementary Data

SHARP CORPORATION

November 6, 2020

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 Second Quarter, Fiscal 2020

Consolidated Financial Results Forecast for Fiscal 2020

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

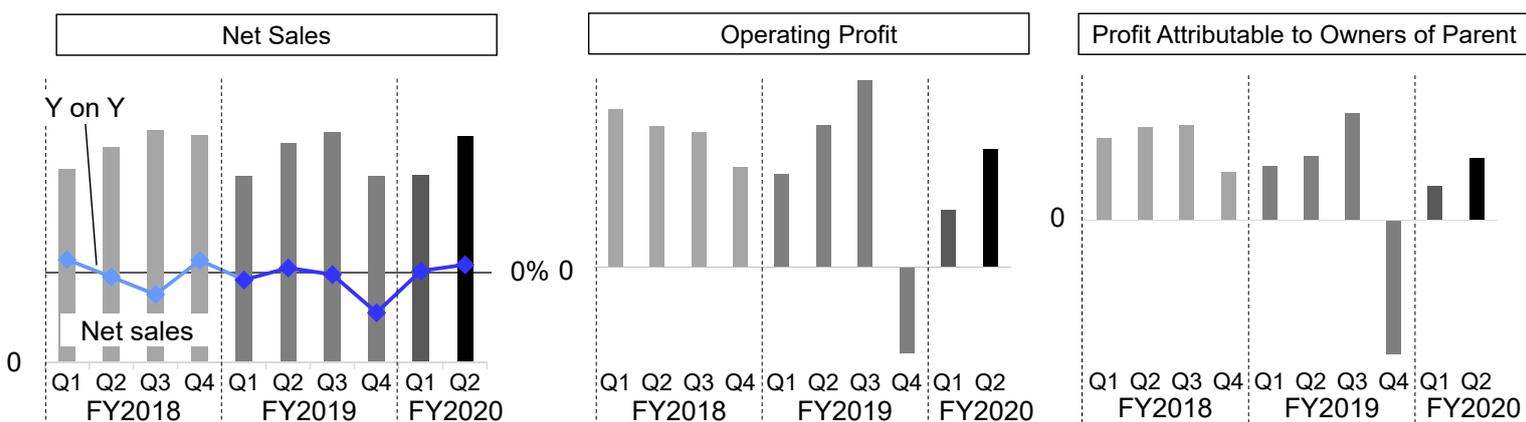
- Earnings in Q2 FY2020 were essentially in line with projections and outperformed Q1 results
- Smart Life recorded a significant increase in profit YoY, supported by strong sales of white goods and other products.
8K Ecosystem profit recovered from Q1, despite the greater-than-expected impact of COVID-19, mainly due to performance in MFPs, TVs, displays, etc.
- In the second half, we expect to see a recovery in every segment; therefore, we have left our FY2020 forecast unchanged from our prior announcement

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Consolidated Financial Results for the Second Quarter, Fiscal 2020 (2)

	(Billions of Yen)								Impact of CV-19
	FY2019				FY2020			Y on Y	
	Q1	Q2	Q3	Q4	Q1	Q2			
Net Sales	514.9	605.6	634.9	515.6	517.2	624.8	+3.2%	-26.0	
Operating Profit	14.6 (2.8%)	22.3 (3.7%)	29.4 (4.6%)	-13.6 (-2.6%)	9.0 (1.8%)	18.5 (3.0%)	-17.1%	-10.0	
Ordinary Profit	13.9 (2.7%)	19.1 (3.2%)	31.0 (4.9%)	-8.5 (-1.7%)	7.7 (1.5%)	16.4 (2.6%)	-14.3%	-10.0	
Profit Attributable to Owners of Parent	12.5 (2.4%)	14.8 (2.5%)	25.0 (3.9%)	-31.4 (-6.1%)	7.9 (1.5%)	14.5 (2.3%)	-1.9%	-10.0	
Avg. Exchange Rate									
USD/JPY	108.90	106.35	107.76	107.94	106.62	105.22			
Euro/JPY	121.99	117.84	118.82	118.62	116.97	122.61			

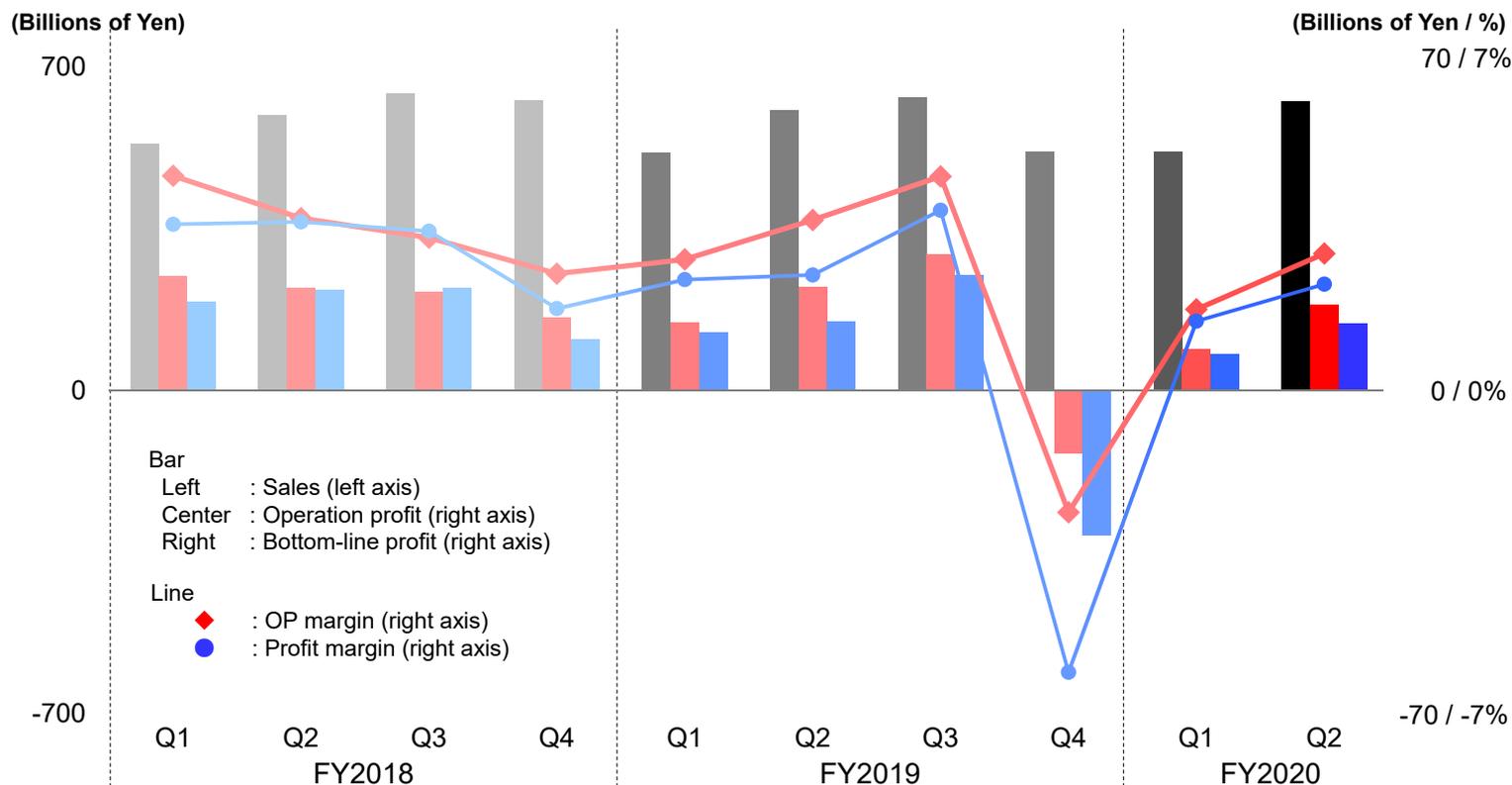


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Consolidated Financial Results for the Second Quarter, Fiscal 2020 (3)

Financial results reached a low point in Q4 FY2019, while Q2 sales and profits exceeded Q1

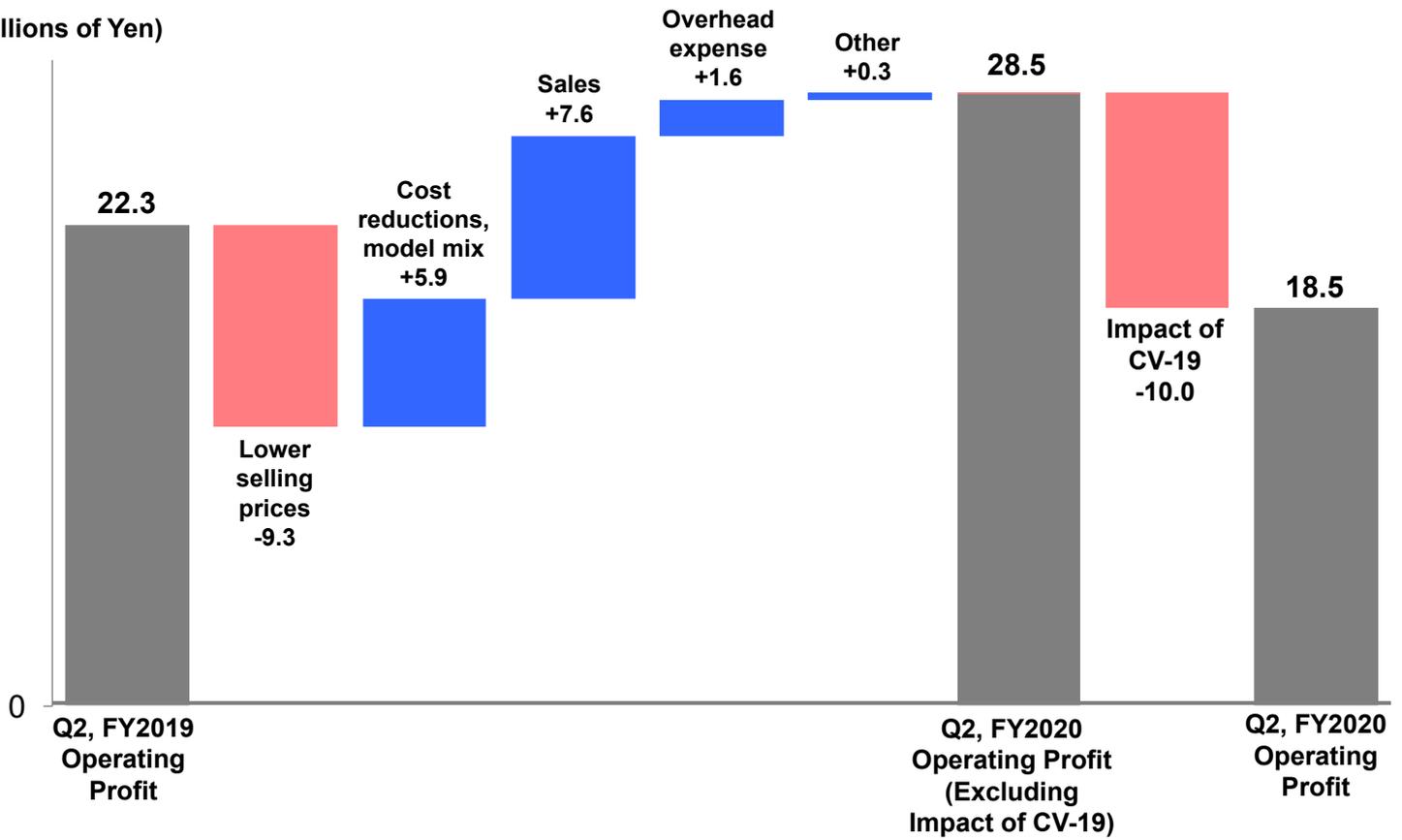


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Operating Profit Analysis : Y on Y Change Factors for the Second Quarter, Fiscal 2020

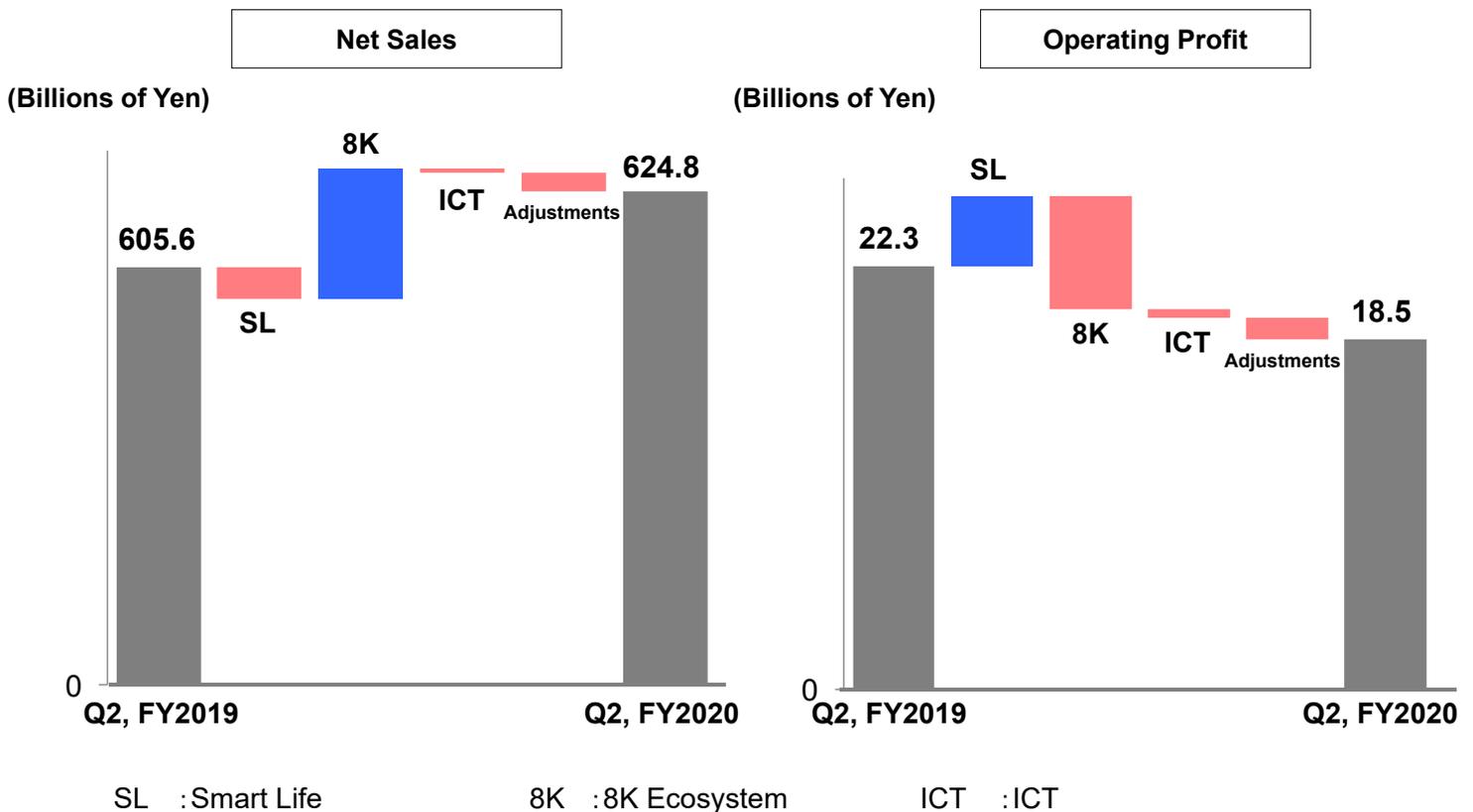
(Billions of Yen)



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



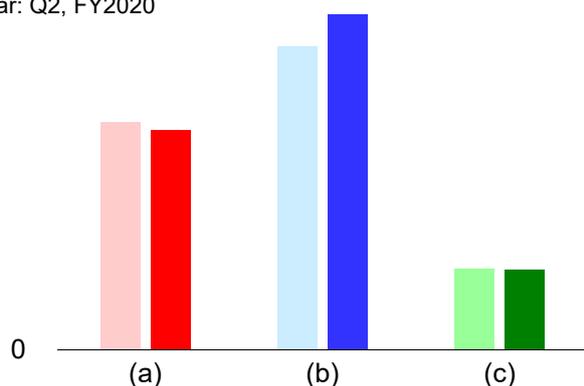
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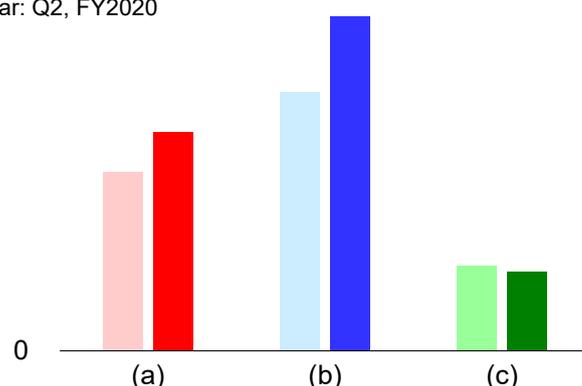
Sales by Segment

	(Billions of Yen)							Impact of CV-19
	FY2019				FY2020			
	Q1	Q2	Q3	Q4	Q1	Q2	Y on Y	
(a) Smart Life	181.0	233.9	247.6	193.9	184.5	225.9	-3.4%	-
(b) 8K Ecosystem	262.5	311.8	324.3	258.4	267.1	344.6	+10.5%	-26.8
(c) ICT	96.2	83.1	88.3	89.4	88.3	82.1	-1.1%	+0.9
Subtotal	539.8	628.9	660.3	541.8	539.9	652.8	+3.8%	
Adjustments	-24.8	-23.3	-25.4	-26.1	-22.7	-27.9	-	
Total	514.9	605.6	634.9	515.6	517.2	624.8	+3.2%	-26.0

Left bar: Q2, FY2019
Right bar: Q2, FY2020



Left bar: Q1, FY2020
Right bar: Q2, FY2020



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*Sales include inter-segment sales and transfers.

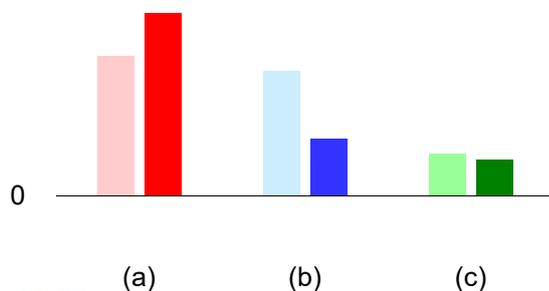
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Operating Profit by Segment

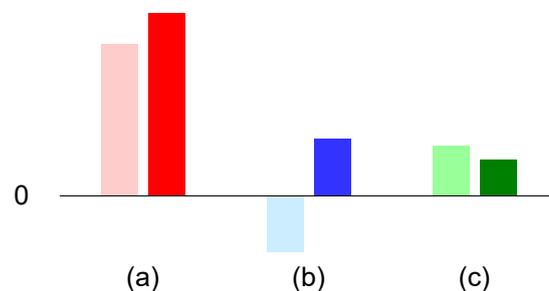
*Figures within parentheses indicate operating margin. (Billions of Yen)

	(Billions of Yen)							Impact of CV-19
	FY2019				FY2020			
	Q1	Q2	Q3	Q4	Q1	Q2	Y on Y	
(a) Smart Life	6.2 (3.5%)	12.3 (5.3%)	16.4 (6.7%)	4.6 (2.4%)	13.4 (7.3%)	16.1 (7.1%)	+30.3%	-
(b) 8K Ecosystem	6.5 (2.5%)	11.0 (3.5%)	11.7 (3.6%)	-14.4 (-5.6%)	-4.9 (-1.9%)	5.0 (1.5%)	-54.1%	-10.1
(c) ICT	7.3 (7.6%)	3.7 (4.5%)	4.4 (5.1%)	4.5 (5.1%)	4.4 (5.0%)	3.2 (4.0%)	-13.4%	+0.0
Subtotal	20.1 (3.7%)	27.2 (4.3%)	32.7 (5.0%)	-5.1 (-1.0%)	12.9 (2.4%)	24.4 (3.7%)	-10.1%	
Adjustments	-5.5	-4.8	-3.2	-8.4	-3.8	-5.9	-	
Total	14.6 (2.8%)	22.3 (3.7%)	29.4 (4.6%)	-13.6 (-2.6%)	9.0 (1.8%)	18.5 (3.0%)	-17.1%	-10.0

Left bar: Q2, FY2019
Right bar: Q2, FY2020



Left bar: Q1, FY2020
Right bar: Q2, FY2020



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Smart Life

- Smart Life recorded significant profit growth in excess of 30% 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	Y on Y	
Sales	181.0	233.9	247.6	193.9	184.5	225.9	-3.4%	-
Operating Profit (margin)	6.2 (3.5%)	12.3 (5.3%)	16.4 (6.7%)	4.6 (2.4%)	13.4 (7.3%)	16.1 (7.1%)	+30.3%	-

■ Q2 Sales (YoY): Decrease

(Dec.) Despite securing sales level YoY for the cumulative first half, Q2 Device sales were down due to differences in customer demand timing

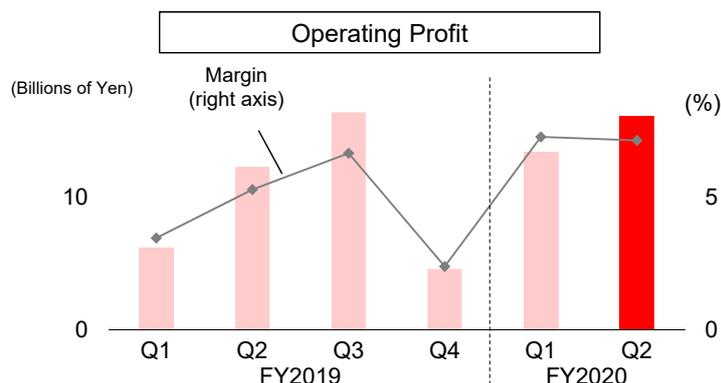
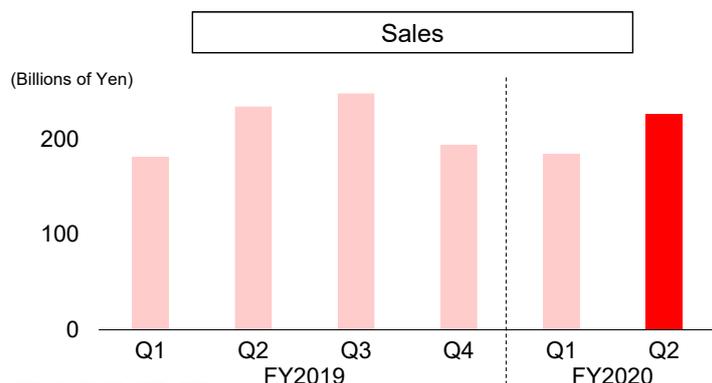
(Incr.) Sales of Plasmacluster products continued to be strong

(Incr.) Sales of refrigerators and washing machines grew from the year-ago quarter and increased substantially from Q1

■ Q2 Operating Profit (YoY): Increase

(Incr.) Improved cost capabilities in each business

(Incr.) Incorporated added value into white goods



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8K Ecosystem

- 8K Ecosystem swung to net profit for Q2 and for the cumulative first half as every business recovered from a bottom beginning in Q4 FY2019

(Billions of Yen)	FY2019				FY2020			Impact of CV-19
	Q1	Q2	Q3	Q4	Q1	Q2	Y on Y	
Sales	262.5	311.8	324.3	258.4	267.1	344.6	+10.5%	-26.8
Operating Profit (margin)	6.5 (2.5%)	11.0 (3.5%)	11.7 (3.6%)	-14.4 (-5.6%)	-4.9 (-1.9%)	5.0 (1.5%)	-54.1%	-10.1

■ Q2 Sales (YoY): Increase

(Incr.) Sales increased, due in part to increasingly value-added televisions

(Incr.) Sales of panels for PCs, tablets, and smartphones increased

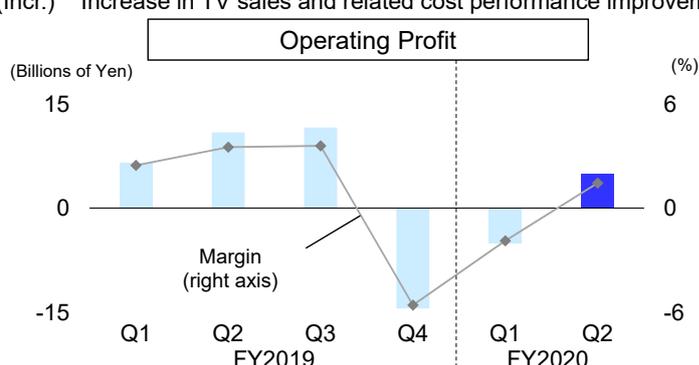
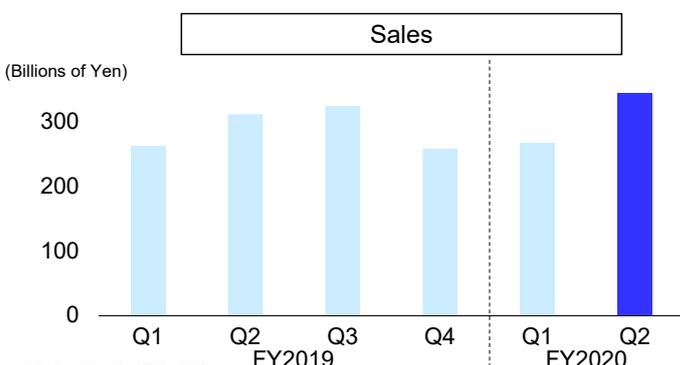
(Dec.) Sales of automotive displays and MFPs increased vs. Q1 but decreased YoY

■ Q2 Operating Profit (YoY): Decrease

(Dec.) We restrained inventory of displays in response to greater-than-expected impact of COVID-19 on displays for the automotive and other sectors

(Dec.) Although MFPs recorded a decline in profit, due in part to lower print volume, the business experienced a significant recovery since Q1 and net profit for the cumulative first half

(Incr.) Increase in TV sales and related cost performance improvement



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ICT

- Despite the impact of differences in the launch timing of new products and other factors, ICT continued to record stable earnings

(Billions of Yen)	FY2019				FY2020			Impact of CV-19
	Q1	Q2	Q3	Q4	Q1	Q2	Y on Y	
Sales	96.2	83.1	88.3	89.4	88.3	82.1	-1.1%	+0.9
Operating Profit	7.3	3.7	4.4	4.5	4.4	3.2	-13.4%	+0.0
(margin)	(7.6%)	(4.5%)	(5.1%)	(5.1%)	(5.0%)	(4.0%)		

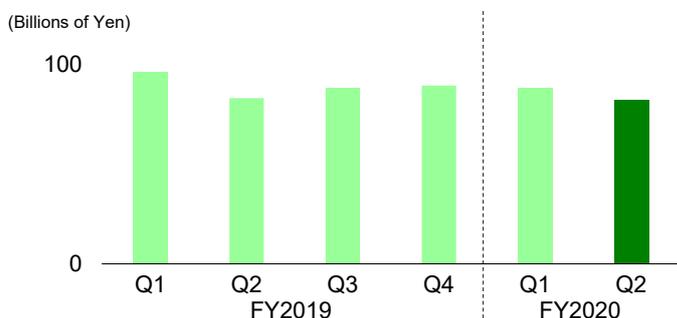
■ Q2 Sales (YoY): Decrease

(Dec.) PCs recorded lower sales due to bottlenecks in certain components
 (Incr.) Mobile communication business recorded higher sales related to timing differences in new product launches and sales growth for the cumulative first half.

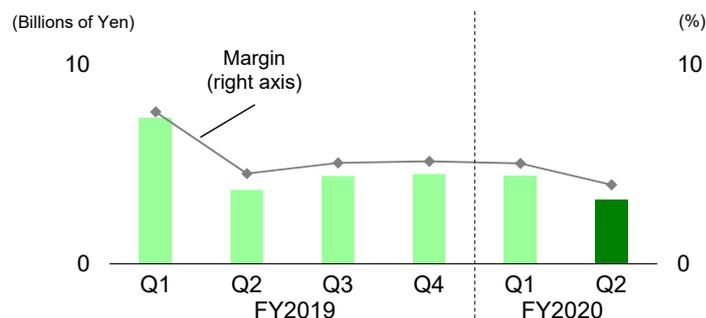
■ Q2 Operating Profit (YoY): Decrease

(Dec.) Lower PC sales
 (Dec.) Change in smartphone model mix
 (Incr.) Higher smartphone sales

Sales



Operating Profit



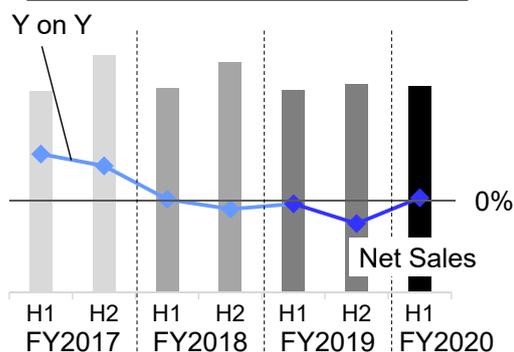
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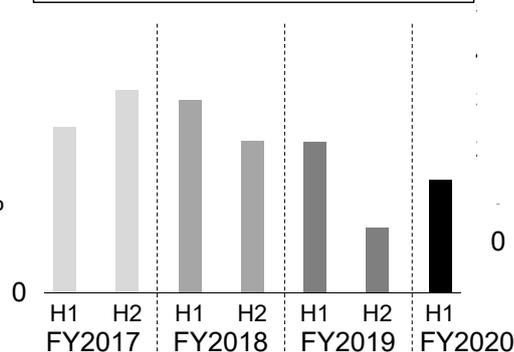
Consolidated Financial Results for the First Half, Fiscal 2020

	FY2019				FY2020		Impact of CV-19	FY2020 Fiscal Year Forecast
	First Half	Second Half	Fiscal Year	Y on Y	First Half	Y on Y		
Net Sales	1,120.6	1,150.5	2,271.2	-5.4%	1,142.1	+1.9%	-85.0	2,350.0
Operating Profit	36.9 (3.3%)	15.8 (1.4%)	52.7 (2.3%)	-37.3%	27.5 (2.4%)	-25.3%	-26.0	82.0 (3.5%)
Ordinary Profit	33.1 (3.0%)	22.4 (1.9%)	55.5 (2.4%)	-19.5%	24.2 (2.1%)	-26.9%	-26.0	70.0 (3.0%)
Profit Attributable to Owners of Parent	27.3 (2.4%)	-6.4 (-0.6%)	20.9 (0.9%)	-71.8%	22.5 (2.0%)	-17.8%	-26.0	50.0 (2.1%)
Avg. Exchange Rate								
USD/JPY	107.63	107.85	107.74		105.92			
Euro/JPY	119.91	118.72	119.32		119.79			

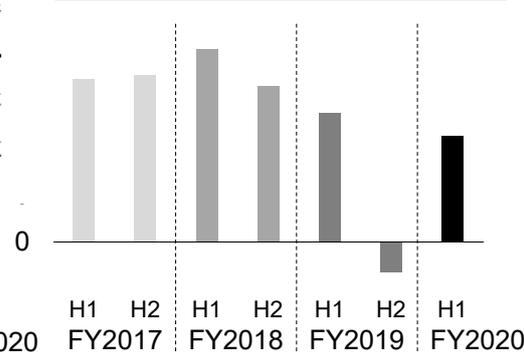
Net Sales



Operating Profit



Profit Attributable to Owners of Parent



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

(Billions of Yen)

	FY2019				FY2020		
	Q1	Q2	Q3	Q4	Q1	Q2	Difference (Y on Y)
Operating Profit	14.6	22.3	29.4	-13.6	9.0	18.5	-3.8
Non-operating Income (Expenses)	-0.6	-3.1	+1.5	+5.0	-1.2	-2.0	+1.1
Interest expense	-1.2	-1.0	-1.3	-1.0	-1.2	-1.5	-0.5
Foreign exchange gain (loss)	+0.1	-0.7	+1.7	+1.8	+2.2	+1.3	+2.0
Share of profit (loss) of entities accounted for using equity method	-0.9	-1.6	-0.7	-0.5	-0.6	-2.8	-1.2
Ordinary Profit	13.9	19.1	31.0	-8.5	7.7	16.4	-2.7
Extraordinary Income (Losses)	+0.0	+0.1	+0.2	-17.6	+2.5	-0.0	-0.1
Loss on valuation of investment securities	-	-	-	-16.1	-	-	-
Pretax Income	13.9	19.3	31.3	-26.2	10.3	16.4	-2.9
Income Taxes, etc.	-1.4	-4.4	-6.2	-5.2	-2.4	-1.8	+2.6
Profit Attributable to Owners of Parent	12.5	14.8	25.0	-31.4	7.9	14.5	-0.3

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Consolidated Balance Sheets

- Cash and deposits amounted to 219.8 billion yen, compared to a balance of 236.1 billion yen as of Jun. 30, 2020.
- Net assets rose to 309.2 billion yen, while our equity ratio rose to 15.9%

(Billions of Yen)

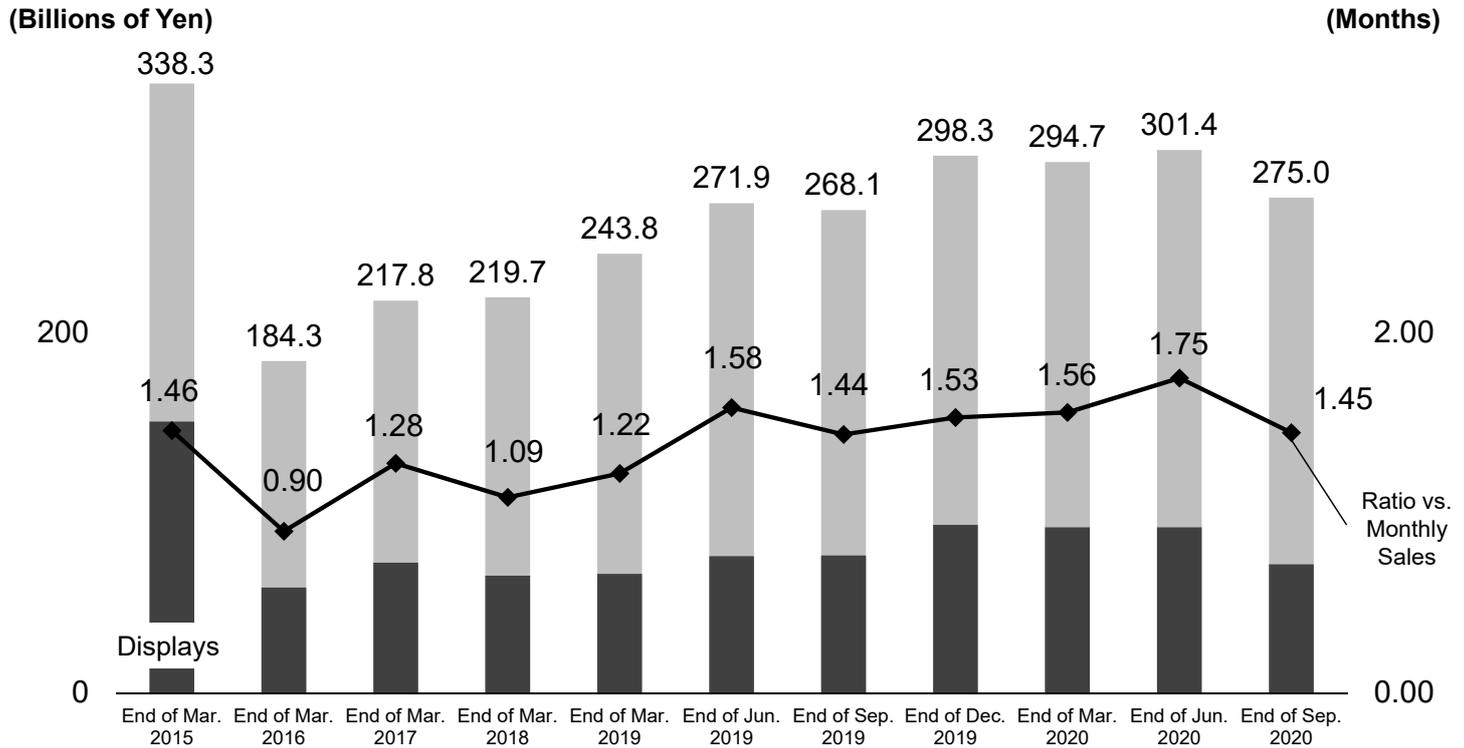
	FY2019	FY2020			FY2019	FY2020	
	End of Mar.	End of Jun.	End of Sep.		End of Mar.	End of Jun.	End of Sep.
Cash and deposits	225.0	236.1	219.8	Notes and accounts payable - trade	349.2	335.3	362.8
Notes and accounts receivable - trade	429.1	414.7	476.3	Short-term loans payable	237.7	285.9	251.9
Inventories	294.7	301.4	275.0	Current portion of bonds payable	0.0	0.0	0.0
Other current assets	139.6	147.7	145.2	Other current liabilities	274.0	245.7	258.9
Current Assets	1,088.6	1,100.0	1,116.5	Current Liabilities	861.0	867.0	873.6
Property, plant and equipment	410.7	406.4	406.7	Bonds payable	0.0	0.0	0.0
Intangible assets	45.5	45.8	45.2	Long-term loans payable	538.7	536.8	537.1
Investments and other assets	287.4	285.6	276.2	Other non-current liabilities	137.4	136.1	124.7
Non-current Assets	743.7	737.9	728.2	Non-current Liabilities	676.1	672.9	661.8
Deferred Assets	0.0	0.0	0.0	Net Assets	295.1	297.9	309.2
Total Assets	1,832.3	1,837.9	1,844.7	Total Liabilities and Net Assets	1,832.3	1,837.9	1,844.7
Exchange Rate, End of Period				Equity Ratio	15.0%	15.2%	15.9%
USD/JPY	107.83	106.74	104.81	Equity	275.3	278.9	293.2
Euro/JPY	118.15	119.55	122.66				

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Inventory Trends

- Inventory amounted to 275.0 billion yen, compared to a balance of 301.4 billion yen as of Jun. 30, 2020.
- Inventory levels reflect our future sales plans, etc.

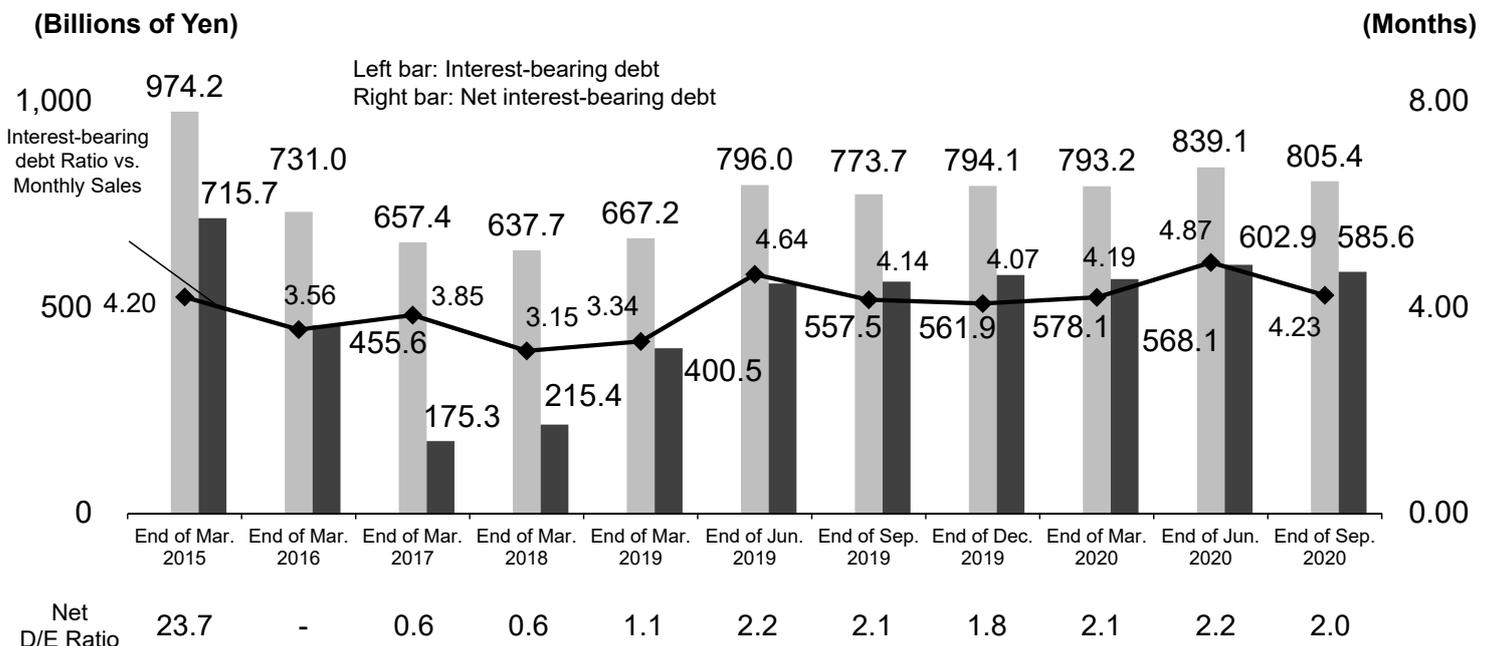


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Interest-Bearing Debt Trends

- Interest-bearing debt was 805.4 billion yen, compared to a balance of 839.1 billion yen as of Jun. 30, 2020. Interest-bearing debt to monthly sales ratio was 4.23 months, compared to 4.87 months as of Jun. 30, 2020.
- Net interest-bearing debt* was 585.6 billion yen, compared to 602.9 billion yen as of Jun. 30, 2020.



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

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Consolidated Financial Results Forecast for Fiscal 2020

•Prior forecasts left unchanged for net sales and all profit measures

(Billions of Yen)

	FY2019	FY2020			Y on Y
	Fiscal Year	First Half	Second-Half Forecast	Fiscal Year Forecast	
Net Sales	2,271.2	1,142.1	1,207.9	2,350.0	+3.5%
Operating Profit (margin)	52.7 (2.3%)	27.5 (2.4%)	54.5 (4.5%)	82.0 (3.5%)	+55.4%
Ordinary Profit (margin)	55.5 (2.4%)	24.2 (2.1%)	45.8 (3.8%)	70.0 (3.0%)	+26.0%
Profit Attributable to Owners of Parent (margin)	20.9 (0.9%)	22.5 (2.0%)	27.5 (2.3%)	50.0 (2.1%)	2.4-fold
Avg. Exchange Rate					
USD/JPY	107.74	105.92	105.00		
Euro/JPY	119.32	119.79	120.00		

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II . Supplementary Data

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Consolidated Financial Results

(Billions of Yen)

	FY2019			FY2020		
	First Half	Second Half	Fiscal Year	First Half	Second Half Forecast	Fiscal Year Forecast
Net Sales	1,120.6	1,150.5	2,271.2	1,142.1	1,207.9	2,350.0
Operating Profit	36.9	15.8	52.7	27.5	54.5	82.0
(margin)	(3.3%)	(1.4%)	(2.3%)	(2.4%)	(4.5%)	(3.5%)
Ordinary Profit	33.1	22.4	55.5	24.2	45.8	70.0
(margin)	(3.0%)	(1.9%)	(2.4%)	(2.1%)	(3.8%)	(3.0%)
Profit Attributable to Owners of Parent	27.3	-6.4	20.9	22.5	27.5	50.0
(margin)	(2.4%)	(-0.6%)	(0.9%)	(2.0%)	(2.3%)	(2.1%)

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Consolidated Quarterly Financial Results

(Billions of Yen)

	FY2019				FY2020	
	Q1	Q2	Q3	Q4	Q1	Q2
Net Sales	514.9	605.6	634.9	515.6	517.2	624.8
Operating Profit	14.6	22.3	29.4	-13.6	9.0	18.5
(margin)	(2.8%)	(3.7%)	(4.6%)	(-2.6%)	(1.8%)	(3.0%)
Ordinary Profit	13.9	19.1	31.0	-8.5	7.7	16.4
(margin)	(2.7%)	(3.2%)	(4.9%)	(-1.7%)	(1.5%)	(2.6%)
Profit Attributable to Owners of Parent	12.5	14.8	25.0	-31.4	7.9	14.5
(margin)	(2.4%)	(2.5%)	(3.9%)	(-6.1%)	(1.5%)	(2.3%)

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Sales by Segment

(Billions of Yen)

	FY2019			FY2020
	First Half	Second Half	Fiscal Year	First Half
Smart Life	415.0	441.5	856.5	410.4
8K Ecosystem	574.4	582.8	1,157.2	611.7
ICT	179.3	177.8	357.2	170.5
Subtotal	1,168.8	1,202.2	2,371.0	1,192.8
Adjustments	-48.1	-51.6	-99.8	-50.6
Total	1,120.6	1,150.5	2,271.2	1,142.1

*Sales include inter-segment sales and transfers.

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Operating Profit by Segment

(Billions of Yen)

	FY2019			FY2020
	First Half	Second Half	Fiscal Year	First Half
Smart Life	18.6 (4.5%)	21.1 (4.8%)	39.8 (4.6%)	29.5 (7.2%)
8K Ecosystem	17.6 (3.1%)	-2.6 (-0.5%)	14.9 (1.3%)	0.1 (0.0%)
ICT	11.0 (6.2%)	9.0 (5.1%)	20.1 (5.6%)	7.6 (4.5%)
Subtotal	47.3 (4.1%)	27.5 (2.3%)	74.9 (3.2%)	37.3 (3.1%)
Adjustments	-10.4	-11.7	-22.1	-9.7
Total	36.9 (3.3%)	15.8 (1.4%)	52.7 (2.3%)	27.5 (2.4%)

*Figures within parentheses indicate operating margin.

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Quarterly Sales by Segment

	(Billions of Yen)					
	FY2019				FY2020	
	Q1	Q2	Q3	Q4	Q1	Q2
Smart Life	181.0	233.9	247.6	193.9	184.5	225.9
8K Ecosystem	262.5	311.8	324.3	258.4	267.1	344.6
ICT	96.2	83.1	88.3	89.4	88.3	82.1
Subtotal	539.8	628.9	660.3	541.8	539.9	652.8
Adjustments	-24.8	-23.3	-25.4	-26.1	-22.7	-27.9
Total	514.9	605.6	634.9	515.6	517.2	624.8

*Sales include inter-segment sales and transfers.

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Quarterly Operating Profit by Segment

	(Billions of Yen)					
	FY2019				FY2020	
	Q1	Q2	Q3	Q4	Q1	Q2
Smart Life	6.2 (3.5%)	12.3 (5.3%)	16.4 (6.7%)	4.6 (2.4%)	13.4 (7.3%)	16.1 (7.1%)
8K Ecosystem	6.5 (2.5%)	11.0 (3.5%)	11.7 (3.6%)	-14.4 (-5.6%)	-4.9 (-1.9%)	5.0 (1.5%)
ICT	7.3 (7.6%)	3.7 (4.5%)	4.4 (5.1%)	4.5 (5.1%)	4.4 (5.0%)	3.2 (4.0%)
Subtotal	20.1 (3.7%)	27.2 (4.3%)	32.7 (5.0%)	-5.1 (-1.0%)	12.9 (2.4%)	24.4 (3.7%)
Adjustments	-5.5	-4.8	-3.2	-8.4	-3.8	-5.9
Total	14.6 (2.8%)	22.3 (3.7%)	29.4 (4.6%)	-13.6 (-2.6%)	9.0 (1.8%)	18.5 (3.0%)

*Figures within parentheses indicate operating margin.

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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	29.3	30.8	60.2	21.9	78.1	100.0
Displays	10.2	9.1	19.4	6.4	58.6	65.0
Depreciation and Amortization	30.8	36.2	67.1	30.4	39.6	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
Capital Investment	9.0	20.2	23.8	6.9	10.3	11.5
Displays	3.6	6.6	5.5	3.6	4.4	2.0
Depreciation and Amortization	14.9	15.9	18.0	18.1	15.5	14.8
R&D Expenditures	28.9	21.0	24.9	25.6	20.3	22.6

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

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