

# FY2024 Financial Summary and FY2025-2027 Medium-term Management Plan

May 12, 2025  
SHARP Corporation



# FY2024 Financial Summary

- In fiscal 2024, **sales increased in all three Brand Business segments** compared to the last fiscal year. Despite the negative impact of the depreciating yen, **Brand Business operating profit increased.**
- Although Device Business sales declined, **the operating loss significantly narrowed** due to the effects of structural reforms in the display business and other factors.
- While net sales decreased, **operating profit, ordinary profit, and bottom-line profit further improved** from the last fiscal year and returned to profitability. **Net sales and all profit levels exceeded forecasts.**
- We also made steady progress in **Asset Light Initiatives** and **efforts to establish a foundation for fiscal 2025 and beyond.**

| (Billions of Yen)              | FY2023            | FY2024         |        | Fiscal Year<br>Forecast(Feb.) | Difference |
|--------------------------------|-------------------|----------------|--------|-------------------------------|------------|
|                                | Fiscal Year       | Fiscal Year    | Y on Y |                               |            |
| Net Sales                      | 2,321.9           | 2,160.1        | -7.0%  | 2,130.0                       | +30.1      |
| Operating Profit<br>(margin)   | -20.3<br>(-0.9%)  | 27.3<br>(1.3%) | -      | 20.0<br>(0.9%)                | +7.3       |
| Ordinary Profit<br>(margin)    | -7.0<br>(-0.3%)   | 17.6<br>(0.8%) | -      | 1.0<br>(0.0%)                 | +16.6      |
| Bottom-line Profit<br>(margin) | -149.9<br>(-6.5%) | 36.0<br>(1.7%) | -      | -<br>(positive)               | -          |
| Dividends Per Share            | 0 yen             | 0 yen          |        |                               |            |
| Avg. Exchange Rate             |                   |                |        |                               |            |
| USD/JPY                        | 144.62            | 152.57         |        |                               |            |

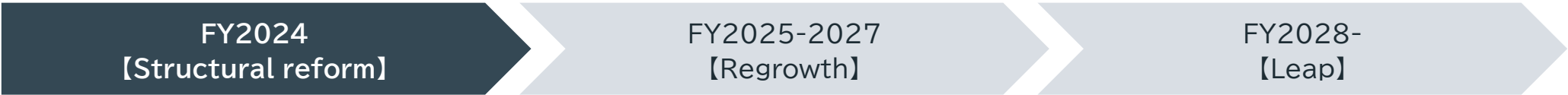
Achieved **double-digit growth** in both sales and operating profit in Brand Business.  
**Reduced operating losses** in Device Business through structural reform in display business.

| (Billions of Yen) |                         | Sales       |             |        | Operating Profit  |                  |         |
|-------------------|-------------------------|-------------|-------------|--------|-------------------|------------------|---------|
|                   |                         | FY2023      | FY2024      |        | FY2023            | FY2024           |         |
|                   |                         | Fiscal Year | Fiscal year | Y on Y | Fiscal Year       | Fiscal year      | Y on Y  |
|                   | Smart Life & Energy     | 452.5       | 461.3       | +2.0%  | 27.7<br>(6.1%)    | 20.3<br>(4.4%)   | -26.8%  |
|                   | Smart Office            | 582.0       | 680.6       | +16.9% | 29.6<br>(5.1%)    | 42.6<br>(6.3%)   | +43.6%  |
|                   | Universal Network       | 311.8       | 338.5       | +8.5%  | 8.8<br>(2.8%)     | 18.6<br>(5.5%)   | +110.4% |
|                   | Brand Business          | 1,346.4     | 1,480.4     | +10.0% | 66.3<br>(4.9%)    | 81.6<br>(5.5%)   | +23.1%  |
|                   | Display Device          | 614.9       | 507.1       | -17.5% | -83.2<br>(-13.5%) | -40.5<br>(-8.0%) | -       |
|                   | Electronic Device       | 401.2       | 202.2       | -49.6% | 13.1<br>(3.3%)    | 5.7<br>(2.8%)    | -56.3%  |
|                   | Device Business         | 1,016.1     | 709.3       | -30.2% | -70.1<br>(-6.9%)  | -34.7<br>(-4.9%) | -       |
|                   | Total(Incl. Adjustment) | 2,321.9     | 2,160.1     | -7.0%  | -20.3<br>(-0.9%)  | 27.3<br>(1.3%)   | -       |

**Achieved improvement in each financial indicator,**  
including equity, inventories, and IB debt compared to the previous year.

| (Billions of Yen)            | FY2023      | FY2024      |                   |
|------------------------------|-------------|-------------|-------------------|
|                              | End of Mar. | End of Mar. | Difference Y on Y |
| Equity                       | 142.4       | 153.3       | +10.9             |
| (Equity Ratio)               | (9.0%)      | (10.5%)     | (+1.5pt)          |
| Inventories                  | 269.5       | 242.0       | -27.5             |
| (Ratio vs. Monthly Sales)    | (1.39)      | (1.34)      | (-0.05)           |
| Interest-Bearing Debt        | 617.5       | 567.6       | -49.9             |
| Net Interest-Bearing Debt    | 390.4       | 288.3       | -102.1            |
| (Net Debt to Equity Ratio)   | (2.7times)  | (1.9times)  | (-0.8pt)          |
| Free Cash Flow               | +135.3      | +102.1      | -33.2             |
| Exchange Rate, End of Period |             |             |                   |
| USD/JPY                      | 151.40      | 149.53      |                   |

Made progress in structural reform in Device Business to create Brand Business focused portfolio.  
Established a foundation for regrowth by laying the groundwork in Brand Business



| Device Business |                      | Brand Business                                  |                                                                                                                                                         |
|-----------------|----------------------|-------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------|
|                 |                      | ● Structural reform<br>▣ Foundations for growth |                                                                                                                                                         |
| DD              | Large Display        | SLE                                             | ● Halted panel production at Sakai Display Product(SDP). Completed the sale of major assets of Green Front Sakai                                        |
|                 | Small/medium Display |                                                 | ● <b>Transfer the Kameyama No. 2 Plant to Hon Hai by August, 2026.</b><br><b>(purchase panels for key customers from Hon Hai after the transaction)</b> |
| ED              | Camera module [SSTC] | SO                                              | ● Executed a transfer agreement with a subsidiary of Hon Hai (closing is scheduled within FY2025 Q1)                                                    |
|                 | Semiconductor [SFL]  | UN                                              | ● Executed a transfer agreement with a subsidiary of Hon Hai (closing is scheduled within FY2025 Q2)                                                    |
|                 |                      |                                                 | ● Ceased the European solar panel business                                                                                                              |
|                 |                      |                                                 | ▣ Strengthened the partnership with Vestel for sales in Europe (integrated the sales function to Vestel)                                                |
|                 |                      |                                                 | ▣ Reinforced the partnership with El Araby for the African and Middle Eastern markets                                                                   |
|                 |                      |                                                 | ● Carried out the structural reform in and achieved profitability in display solution business                                                          |
|                 |                      |                                                 | ▣ Resumed Dealer acquisition to expand IT service business                                                                                              |
|                 |                      |                                                 | ▣ Launched an AI-related product (eAssistant Minutes)                                                                                                   |
|                 |                      |                                                 | ● Decided to close the audio factory in Malaysia, and will cease the production in FY2025                                                               |
|                 |                      |                                                 | ● Ceased production at the TV factory in Malaysia                                                                                                       |
|                 |                      |                                                 | ▣ Accelerating the development of new businesses, including the satellite communication business                                                        |

DD : Display Device    ED : Electronic Device    SLE : Smart Life & Energy    SO : Smart Office    UN : Universal Network



**FY2025-2027**

**Medium-term Management Plan**

## To regain **Sharp's identity**, while holding on to the founding spirit “Business Philosophy and Business Creed”

|                                       | Purpose                                                                                                                                                                                                                                               | Core values                                                                                                                                                                                                                                                                                           |
|---------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Approach to<br><b>Business</b>        | <b>Business Philosophy</b><br><p>We do not seek merely to expand our business volume. Rather, we are dedicated to the use of our unique, innovative technology to contribute to the culture, benefits and welfare of people throughout the world.</p> | <b>Business Creed</b><br><p>Sharp Corporation is dedicated to two principal ideals:<br/> <b>"Sincerity and Creativity"</b><br/>                     By committing ourselves to these ideals, we can derive genuine satisfaction from our work, while making a meaningful contribution to society.</p> |
| Approach to<br><b>Human Resources</b> | <p>It is the intention of our corporation to grow hand-in-hand with our employees, encouraging and aiding them to reach their full potential and improve their standard of living.</p>                                                                | <p>Sincerity is a virtue fundamental to humanity ... always be sincere.<br/>                     Harmony brings strength ... trust each other and work together.<br/>                     Politeness is a merit ... always be courteous and respectful.</p>                                           |
| Approach to<br><b>Stakeholders</b>    | <p>Our future prosperity is directly linked to the prosperity of our customers, dealers and shareholders ...indeed, the entire Sharp family.</p>                                                                                                      | <p>Creativity promotes progress ... remain constantly aware of the need to innovate and improve.<br/>                     Courage is the basis of a rewarding life ... accept every challenge with a positive attitude.</p>                                                                           |

# OUR MISSION

With sincerity, we observe people's daily lives. With creativity, we shape new experiences.

- Our Sincerity, Creating Tomorrow -



To become a company that creates “**New Cultures**” through unique products and services



Moving forward to **regrowth** and future leap by committing to the three key initiatives



Reorganizing the Brand Business into two business groups to advance **"Focus and Shift"**, aiming to enhance profitability and growth potential

## Smart Life Business Group

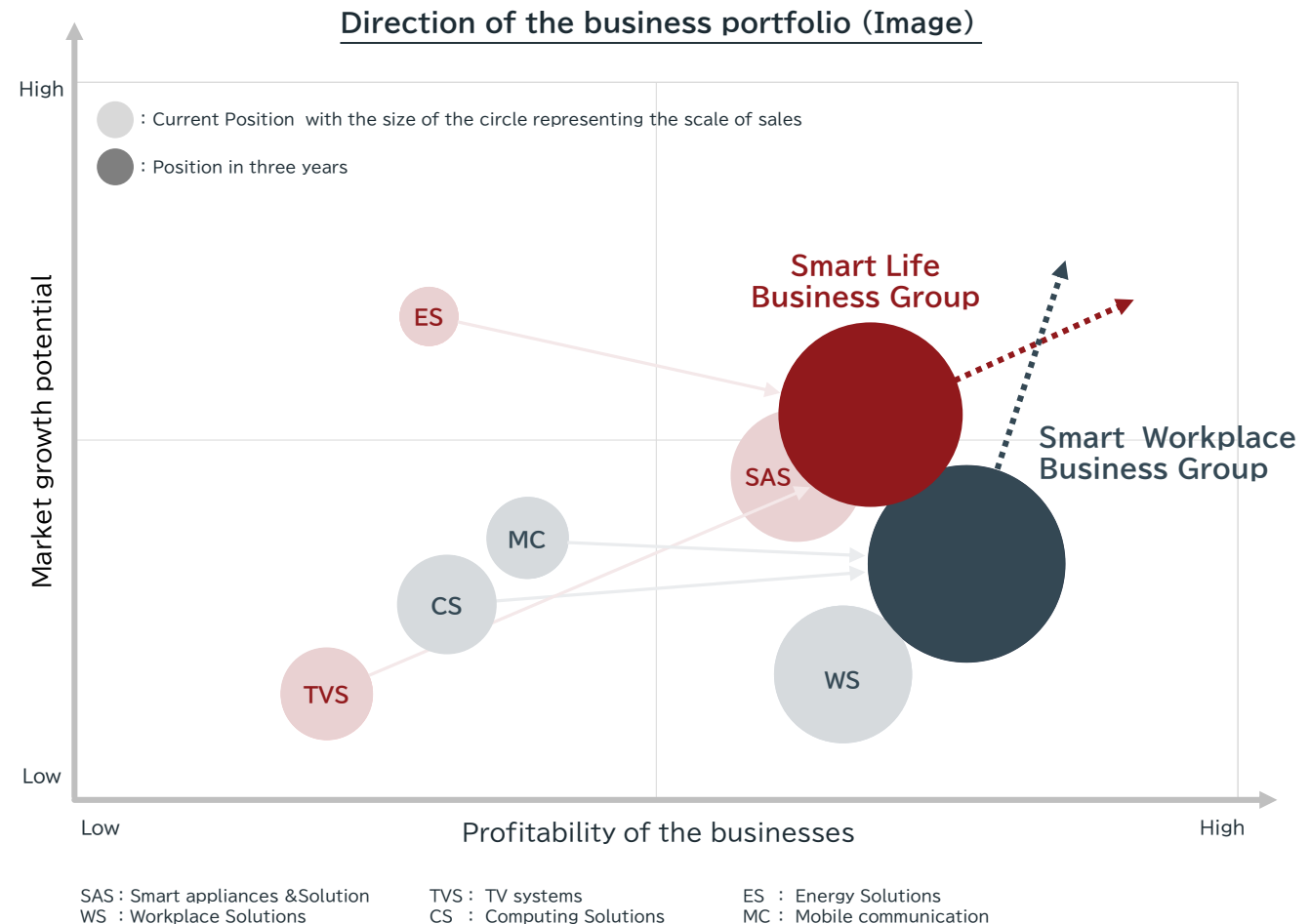
Living

- Aim for global business expansion. "Focus" on areas **where SHARP can leverage its strong market presence and technologies**, while utilizing partnership.
- Integrate **AIoT-related businesses**. Creating value to serve for individual needs by transforming into a business model to **utilize more comprehensive data**

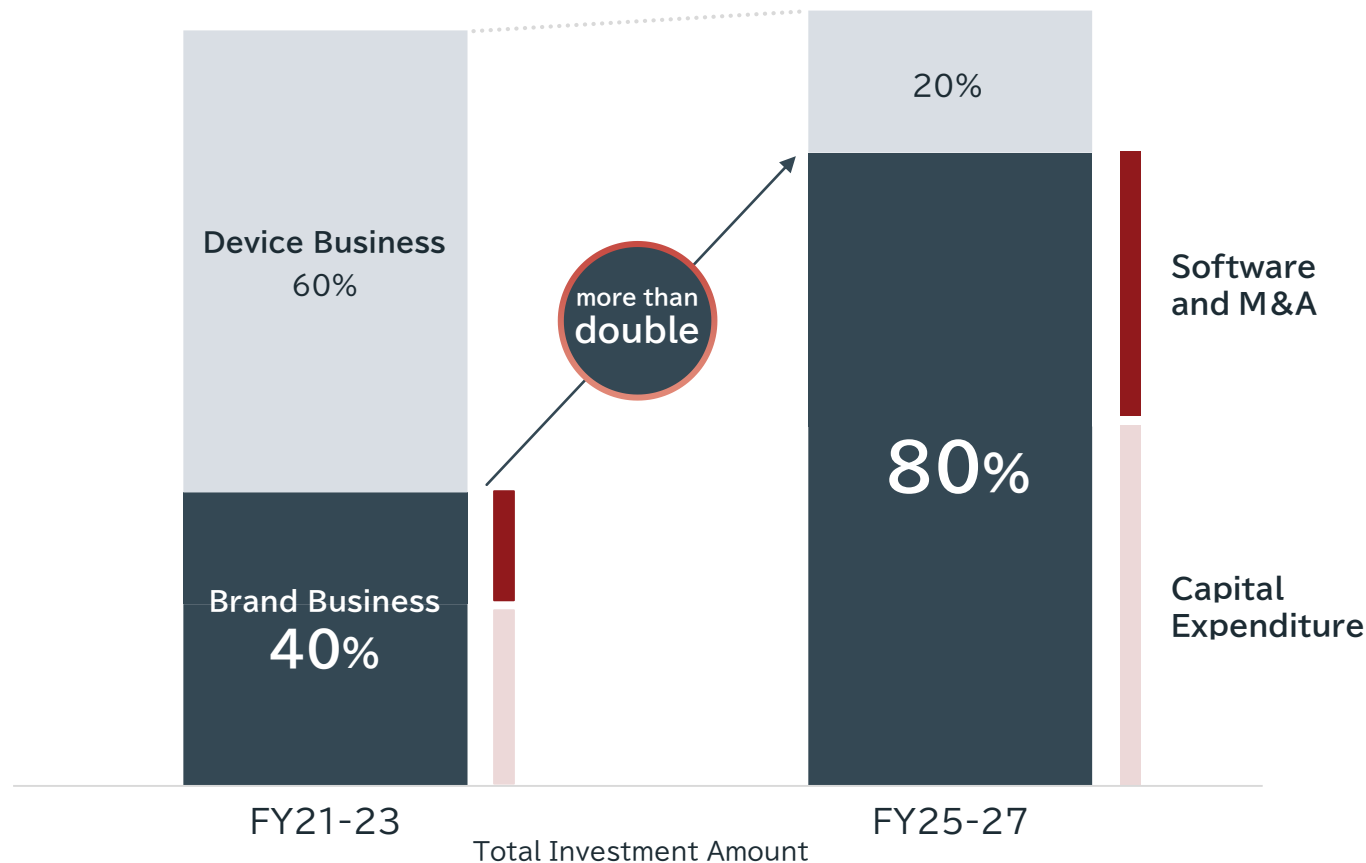
## Smart Workplace Business Group

Working

- Integrate **IT and communication technologies**. Speedy "Shift" to a **solution-oriented business model** centered around smart businesses while enhancing products/DX services
- "Focus" on **new business development** and reinforce the business portfolio



**More than double the growth capital** into the Brand Business to increase its competitiveness and to accelerate the transformation into growth areas.



### Software and M&A

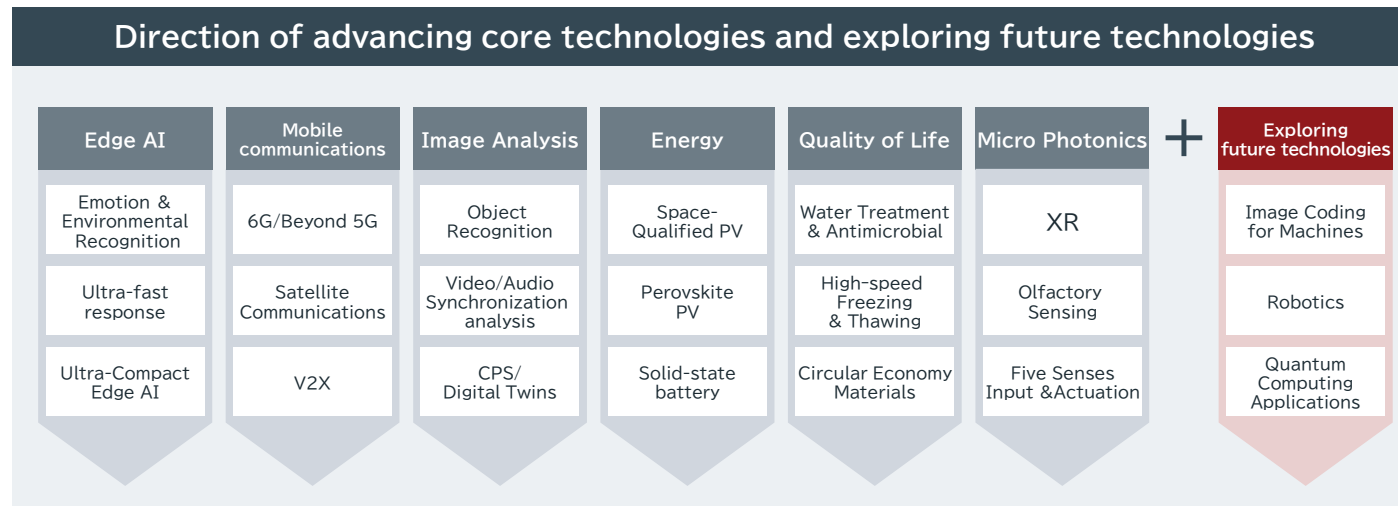
- ✓ Strengthen AI/IT solution business
- ✓ Expand robotics business
- ✓ Strengthen AIoT services
- ✓ Accelerate the growth in beauty and healthcare businesses

### Capital Expenditure

- ✓ Enhance production capacity to expand business in ASEAN and the Americas
- ✓ Develop perovskite and space-qualified solar cells
- ✓ Develop LEO satellite communication related technology

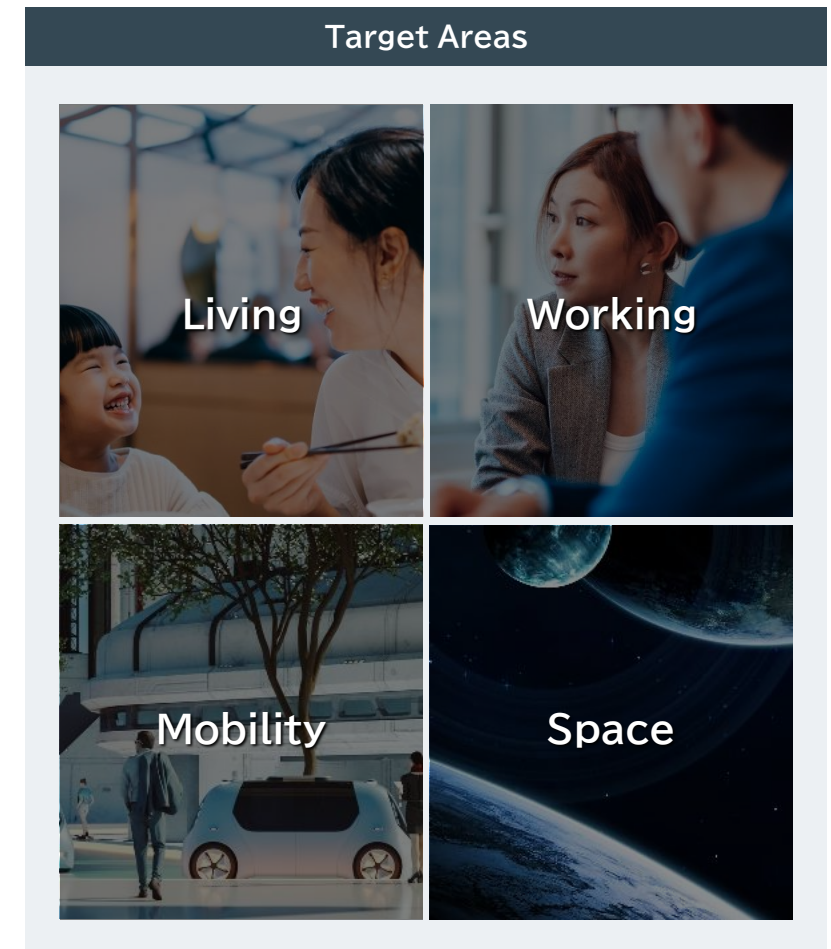
## 2 Establish a Foundation for Sustainable Business Growth - Accelerating the Development of “Core Technologies”

**Advance core technologies and explore future technologies** by collaboration inside and outside the company. Challenge in creating innovations in various fields.



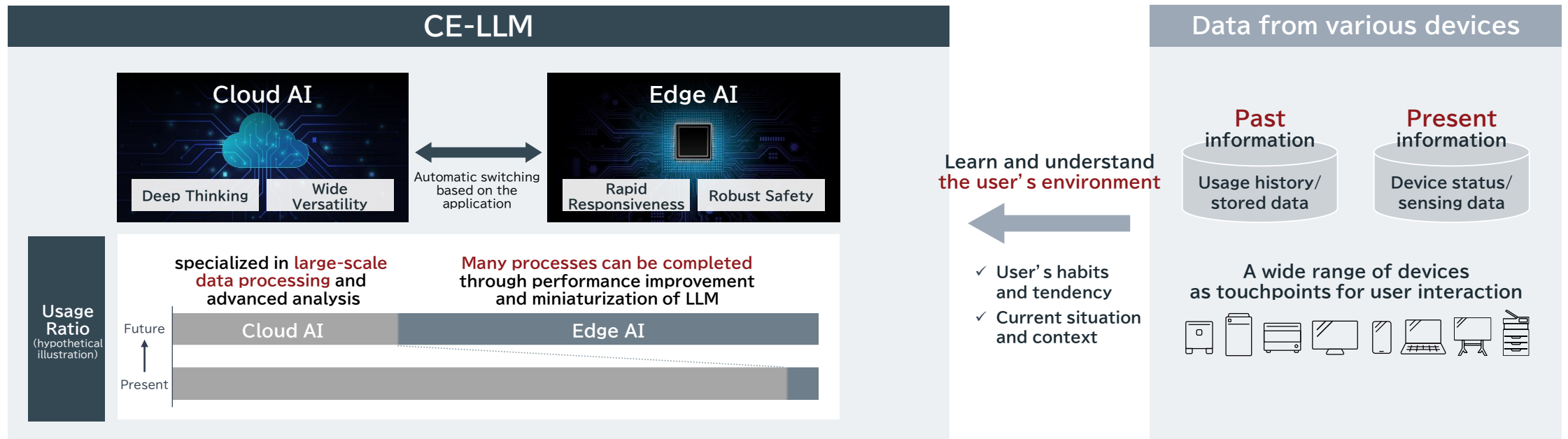
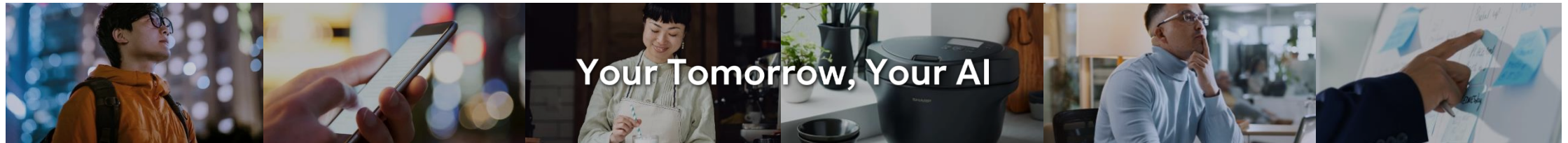
### Key activities to accelerate development

- ✓ Accelerate the development of distinctive technologies and new businesses while utilizing the All-SHARP project **“I-Pro”**
- ✓ Establish **an AI dedicated R&D organization**
- ✓ Proactively dispatch staff to domestic and international **universities and research institutions** / expand collaboration **with startups**



## 2 Establish a Foundation for Sustainable Business Growth - Accelerating the Development of “Core Technologies” [CE-LLM]

Sharp’s proprietary AI technology, “CE-LLM”, combines **Edge/Cloud AI** to provide **customer-optimized solutions** by recognizing each individual customer’s situation, including habits, tendency and status etc.



**Data from various devices**

**Past information**  
Usage history/  
stored data

**Present information**  
Device status/  
sensing data

**A wide range of devices as touchpoints for user interaction**



Support employees’ **skill development and promote challenges**,  
to maximize the potential of each individual



\*Utilizing the survey system by Link and Motivation Inc.: “B rate” represents the national average level, while “A rate” represents the top 20% of companies

### Cultivating and Acquiring Human Resources to Facilitate the Growth

#### Cultivate AI/Digital talents

- ✓ Introduce **a reskilling program** for Engineers  
[AI/Digital Engineers] FY24 : 1,600 ▶ FY27 : **3,200**
- ✓ Bottom-up enhancement of **AI skills and Knowledge of all employees**
- ✓ Strengthen recruitment of **highly specialized talent**  
(Provide competitive treatment through flexible reward design)

#### Strengthen global talent

- ✓ Expand **global talent development program**
  - Strengthen HR management from a company-wide perspective
  - Expand basic training and provide opportunities for working overseas
  - Organize structured OJT for future executive candidates
- ✓ Strengthen recruitment of **talent with overseas experience**

#### Enhance organizational capability

- ✓ Strengthen the development of **next-generation executive talent**
  - Clarify the profiles of the talent in need
  - Establish a structured development process
- ✓ Expand **hierarchy training**  
[Annual training expenditure]  
**more than double** compared to current levels
  - Manager : Introduce a new training program
  - Staff : Implement training in five levels (currently two levels)

### Building an Environment that Enables Diverse Talent to Thrive

- ✓ Increase the ratio of female managers
- ✓ Effective use of the experienced and skilled senior employees
- ✓ Expand investment for the work/IT environment
- ✓ Strengthen employee benefits and enhance health management
- ✓ To open new headquarters (Chuo Ward, Osaka City around March, 2026)

## Drive the growth and improve management efficiency by clarifying the roles and responsibilities between Corporate and Business Groups

#### Corporate(Headquarters)

##### Strongly lead the company-wide growth strategy

- ✓ Promote corporate branding
- ✓ Develop the foundational and innovative technologies that underpin the entire company
- ✓ Cultivate talents and corporate culture that accelerate business transformation
- ✓ Explore and challenge Next Innovation(new industry)
- ✓ Establish infrastructure that reinforces the speed of management
- ✓ Generate company-wide synergies among business units(BU)

President/CEO

CFO

CTO

CBDO

CDO

#### Business Group(BG)

##### Accelerate bold business transformation within the business domain

- ✓ Establish growth strategy within each BG
- ✓ Accelerate M&A and foster new business
- ✓ Maximize the synergies among affiliated BUs

Smart Life  
BG

COO

- Smart Appliances & Solutions
- TV Systems
- Energy Solutions

Smart Workplace  
BG

COO

- Workplace Solutions
- Computing Solutions
- Mobile Communication

Display Device

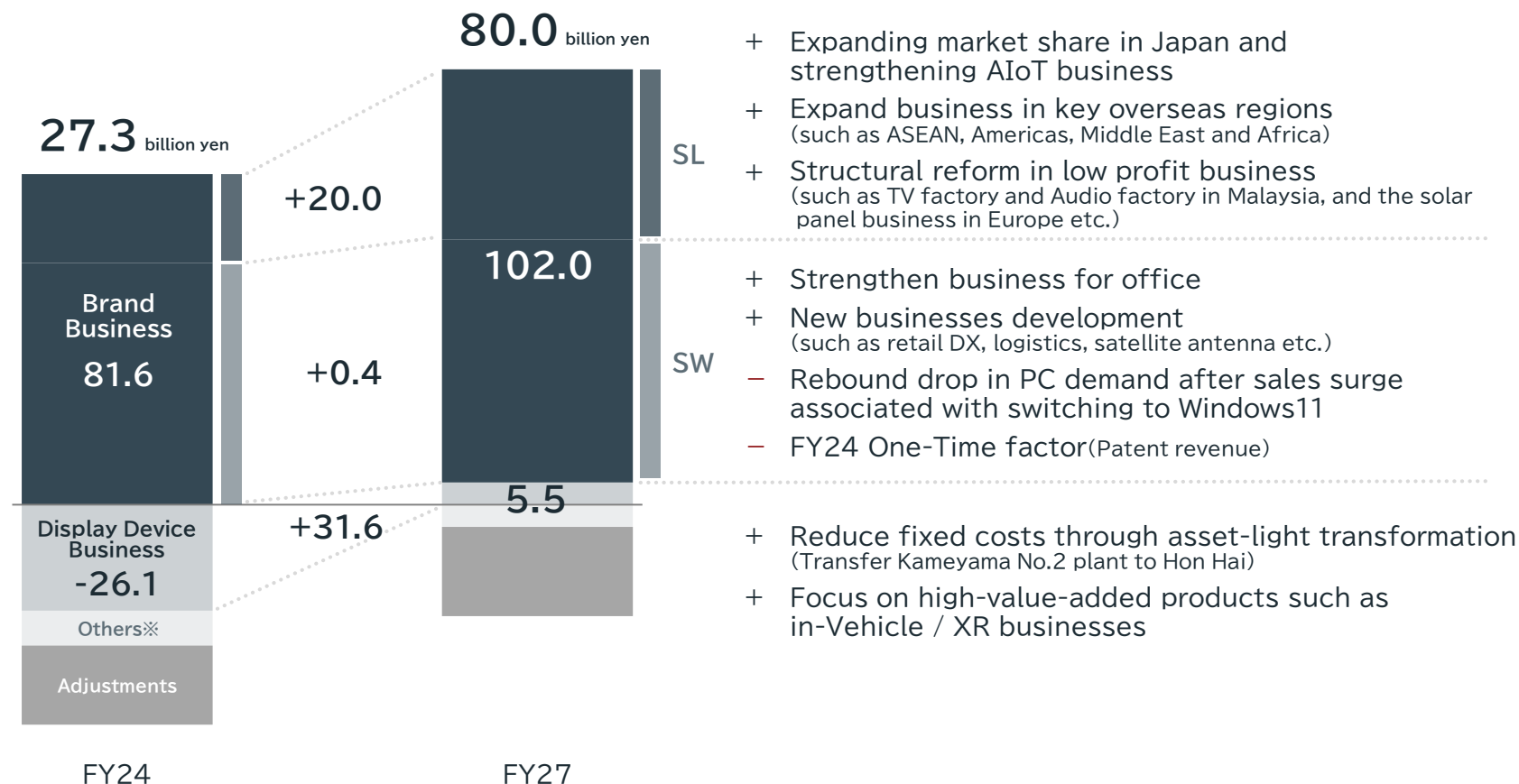
■ : business unit(BU)

Focus on **reducing fixed costs** in Device Business to improve profitability and **strengthen the revenue-generating capacity** of Brand Business, building a foundation for **securing stable profits** to improve financial stability

## FY2027 Financial KPI



## Major improvement items for operating profit



【Initiatives Policy by Business Segment】

## Smart Life Business Group



Creating a tomorrow that's uniquely yours, exciting and full of joy

Our Sincerity, Creating Tomorrow

To promote the “SHARP” brand globally by offering a unique value proposition to customers around the world.  
Create **original products** and **unique services** that help realize a lifestyle true to each person

Develop original products  
that offer a new experience

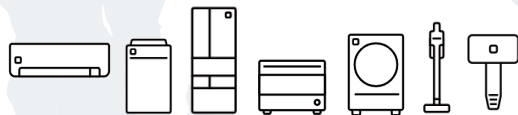
by utilizing distinctive technologies  
such as AIoT and generative AI



Deploy unique services  
that align with each person

by utilizing a variety of data

#### Smart Appliances & Solutions



#### TV Systems



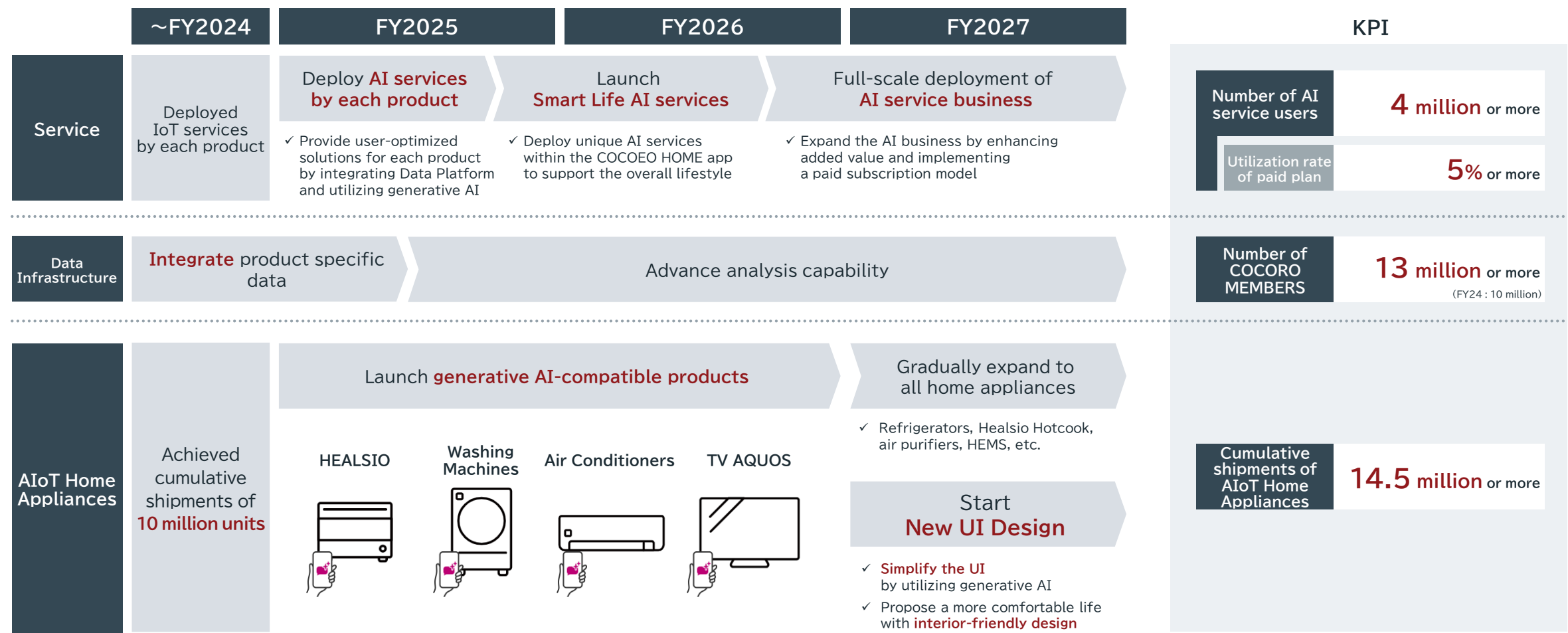
#### Energy Solutions



#### Sensor Devices



Expand the AIoT business in products and services. Launch **generative AI-compatible products** one after another and **deploy AI services** utilizing proprietary data starting from FY2025



Address “**Beauty**” and “**Health**” challenges to achieve a healthy lifestyle that is both physically and mentally fulfilling and true to each person

### Solution to Beauty Challenges

- Expand the lineup of hair dryer and hair iron such as the **Plasmacluster Beauty** series
- **Challenge new categories** through launching in-house development of body care products and M&A
- **Rebuild brand communication** by strengthening marketing activities through SNS/KOL※ to establish a unique brand image that reflects our company

※Key Opinion Leader

### Solution to Health Challenges (Healthcare)

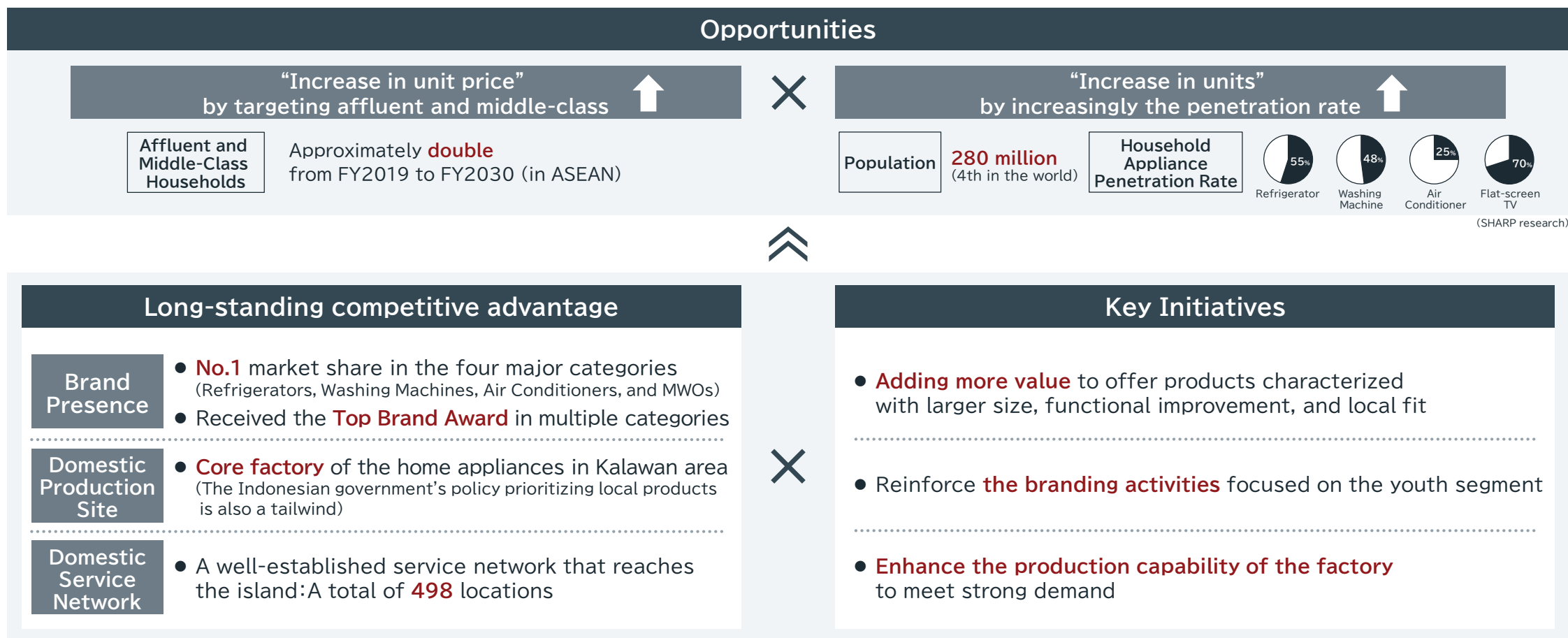
- Accelerate the creation of new business aimed at monitoring and improving health status based on **our unique contactless sensing technology**
  - Monitoring and exercise management solution for corporate customers: 「i-wellebe」  
(In addition to facial recognition, measure and record vascular information, heart rate, and temperature all at once)
  - Development of smart mirror
- Propose solutions that address various social issues through **SHARP Insight**
  - Chewing monitor:「bitescan」
  - IoT dispenser for sanitary napkins
  - IoT measuring device(Visualization of FMCG※)

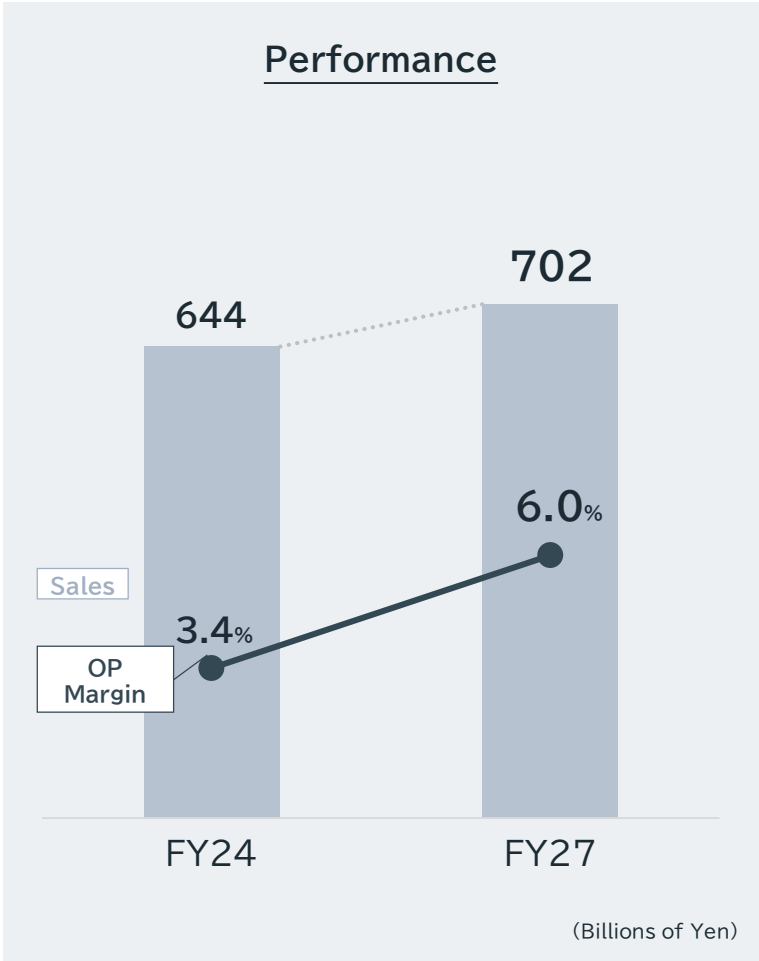
※Fast-Moving Consumer Goods

Aim for substantial growth in **Americas, Middle East and Africa** by leveraging advantages, while further strengthening business in **ASEAN** as a core area

|                                              |                        | Key Initiatives                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | KPI                                                                                                                                                                                                                                                                                                                                           |  |      |      |                              |     |              |                                              |     |              |
|----------------------------------------------|------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|------|------|------------------------------|-----|--------------|----------------------------------------------|-----|--------------|
| Core Area                                    | ASEAN                  | <ul style="list-style-type: none"><li>● <b>Accelerate increasing value added</b> to the home appliance business in line with economic growth</li><li>● Strengthen competitiveness in TV business through supply chain optimization using ODM</li><li>● Reinforce the brand proposition centering on high-value-added products and branding activities for the youth segment</li></ul> <p>[FY27 Brand Investment Amount] <b>1.5 times</b> compared to FY24</p>                                                                                                                                   | <p>Sales CAGR(FY24→FY27)</p> <p><b>+8% or more</b></p> <p>High-value-added products sales ratio</p> <table><tr><td></td><td>FY24</td><td>FY27</td></tr><tr><td>[ALL-ASEAN] TV (Large model)</td><td>29%</td><td>▶ <b>34%</b></td></tr><tr><td>[Indonesia] Air conditioner (Inverter model)</td><td>15%</td><td>▶ <b>30%</b></td></tr></table> |  | FY24 | FY27 | [ALL-ASEAN] TV (Large model) | 29% | ▶ <b>34%</b> | [Indonesia] Air conditioner (Inverter model) | 15% | ▶ <b>30%</b> |
|                                              |                        | FY24                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | FY27                                                                                                                                                                                                                                                                                                                                          |  |      |      |                              |     |              |                                              |     |              |
| [ALL-ASEAN] TV (Large model)                 | 29%                    | ▶ <b>34%</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                                                                                                                                                                                                                                                                                                                                               |  |      |      |                              |     |              |                                              |     |              |
| [Indonesia] Air conditioner (Inverter model) | 15%                    | ▶ <b>30%</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                                                                                                                                                                                                                                                                                                                                               |  |      |      |                              |     |              |                                              |     |              |
| Growth Area                                  | Americas               | <ul style="list-style-type: none"><li>● Enter and expand in the <b>major category of kitchen appliances</b>, centered around unique microwave drawers that maintain a solid position in the market<ul style="list-style-type: none"><li>- Enter the large-size oven market in earnest and strengthen the competitiveness of dishwashers</li></ul></li><li>● Cultivate the sales network through <b>collaboration with TV OS partners</b></li><li>● Reinforce brand investment primarily in kitchen appliances</li></ul> <p>[FY27 Brand Investment Amount] <b>5.5 times</b> compared to FY24</p> | <p>Sales CAGR(FY24→FY27)</p> <p><b>+15% or more</b></p>                                                                                                                                                                                                                                                                                       |  |      |      |                              |     |              |                                              |     |              |
|                                              | Middle East and Africa | <ul style="list-style-type: none"><li>● Reinforce the <b>strategic partnership</b> with El Araby (Egypt)<ul style="list-style-type: none"><li>- Expand operations in the region, centered around the newly established large refrigerator factory</li><li>- Additionally, strengthen collaboration in the sales network with the company</li></ul></li></ul>                                                                                                                                                                                                                                    | <p>Sales CAGR(FY24→FY27)</p> <p><b>+10% or more</b></p>                                                                                                                                                                                                                                                                                       |  |      |      |                              |     |              |                                              |     |              |

Aiming to capture further opportunities by **adding more value to businesses and reinforcing brand strength** based on **our long-standing competitive advantages**





|                                 | Outlook<br>(FY24⇒FY27) |                       | Strategic Direction                                                                                                                                                                                                                                                                                                                            |
|---------------------------------|------------------------|-----------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Smart Life<br>Business Group    | Sales<br>↗             | Operating Profit<br>↑ | <ul style="list-style-type: none"><li>● Grow AIoT businesses</li><li>● Reinforce the sales and marketing structure</li><li>● Invest proactively in branding<br/>(FY24 to FY27: approximately double)</li></ul>                                                                                                                                 |
| Smart Appliances<br>& Solutions | ↗                      | ↑                     | <ul style="list-style-type: none"><li>● Strengthen the focus on ASEAN, Americas, Middle East and Africa</li><li>● Offer more value-added products and expand market share in Japan<br/>[Air Purifier] keep No.1 [the others] aim for the Top 3</li><li>● Strengthen the Beauty, Healthcare, and B2B business</li></ul>                         |
| TV Systems                      | →                      | ↑                     | <ul style="list-style-type: none"><li>● Increase the top share in Japan</li><li>● Expand the data business by utilizing MIF</li><li>● Streamline production structure / Effective utilization of ODM</li></ul>                                                                                                                                 |
| Energy Solutions                | ↑                      | ↑                     | <ul style="list-style-type: none"><li>● Strengthen residential business in Japan through collaboration on unique hardware and power solutions</li><li>● Expand space-qualified solar cells business with satellite communication market growth</li><li>● Strengthen EPC business for power storage and improve profitability in Asia</li></ul> |

【 Initiatives Policy by Business Segment 】

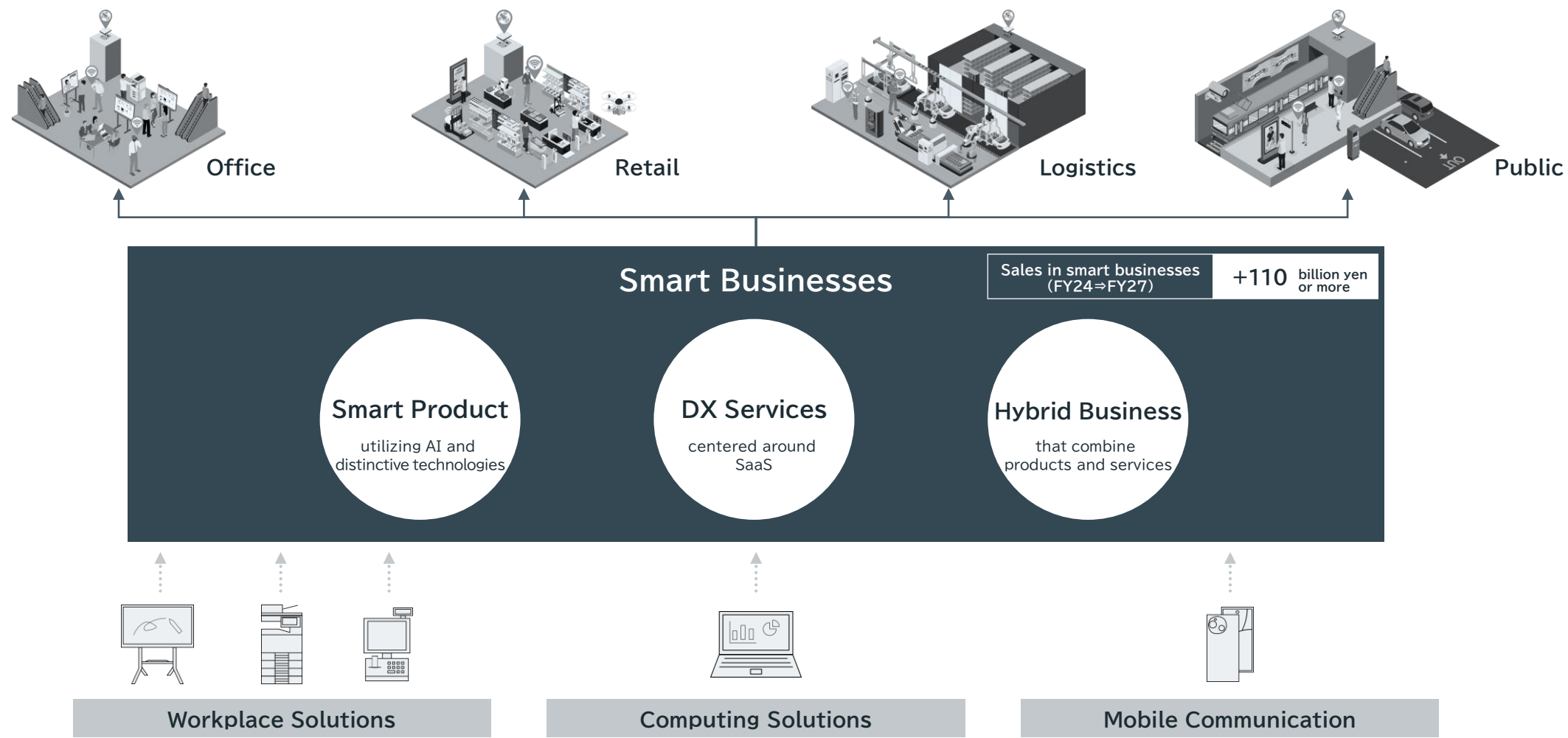
## Smart Workplace Business Group



Empowering global collaboration through technology and networks

Our Sincerity, Creating Tomorrow

Continuously enhance existing products and develop smart businesses that support DX of customer, primally in four industrial sectors



## Increase market presence and accelerate transformation of the business model through enhancement of existing products and the development of smart businesses

Sales in smart businesses  
(FY24⇒FY27)

+40 billion yen  
or more

| Existing Products                                                                   |                                                                                                                                                                                                                                                                    |                                                                         |
|-------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------|
|                                                                                     |                                                                                                                                                                                                                                                                    | KPI(FY27)                                                               |
| <b>MFP</b><br>Global Share in A3 MFP<br>8.5%(FY24)                                  | <ul style="list-style-type: none"> <li>Expand the <b>product lineup</b> tailored to local characteristics</li> <li><b>Strengthen business in Asia</b> by utilizing the newly established ABS※</li> </ul>                                                           | Global Share in A3 MFP<br><b>10% or more</b>                            |
| <b>Laptop</b><br>No.1 Market Share for Corporate Clients in Japan(FY24)             | <ul style="list-style-type: none"> <li><b>Ongoing introduction of new products</b> that meet customer demands</li> <li>Stable sales and support system backed by <b>an end-to-end sales system</b> covering development, production, sales, and service</li> </ul> | Market Share for Corporate Clients in Japan<br><b>keep No.1</b>         |
| <b>Smartphone</b><br>No.1 Android Market Share for Corporate Clients in Japan(FY24) | <ul style="list-style-type: none"> <li>Strengthen B2B business in collaboration with telecom carriers while integrating <b>attractive HWs</b> developed through B2C business with new unique services</li> </ul>                                                   | Android Market Share for Corporate Clients in Japan<br><b>keep No.1</b> |
| <b>Others</b>                                                                       | <ul style="list-style-type: none"> <li>Expand the lineup of peripheral products such as PC monitor, interactive whiteboard, projector, and network device</li> </ul>                                                                                               |                                                                         |

+

| Smart Businesses                                       |                                                                                                                                                                                                                                                                              |                                                                        |
|--------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------|
| <b>MPS</b><br>(Managed Print Service)                  | <ul style="list-style-type: none"> <li>Enhance MPS driven proposal capability in European/American market by expanding of <b>A4 MFP models</b> in addition to A3 MFPs, as well as <b>reinforcing the device management platform</b>.</li> </ul>                              |                                                                        |
| <b>LCM</b><br>(Life Cycle Management)                  | <ul style="list-style-type: none"> <li><b>Expand the LCM service menu</b> for PC and <b>strengthen the sales structure</b></li> <li>Promote <b>comprehensive office solutions</b> covering related products such as MFPs and smartphones, centered on LCM service</li> </ul> |                                                                        |
| <b>eAssistant</b><br>(AI-powered service)              | <ul style="list-style-type: none"> <li>Launch new DX solutions utilizing <b>distinctive AI technology “CE-LLM”</b> such as “eAssistant Minutes” :minutes recording solution</li> </ul>                                                                                       |                                                                        |
| <b>Revitalizing M&amp;A activities</b>                 |                                                                                                                                                                                                                                                                              |                                                                        |
| ✓ <b>Services</b><br>✓ <b>Solution sales structure</b> | ✓ <b>System development</b><br>✓ <b>Sales channel</b> etc.                                                                                                                                                                                                                   | Cumulative Investment Amount over Three Years<br><b>20 billion yen</b> |

## Provide a retail solution platform created by integrating the strengths of POS and mobile communication business

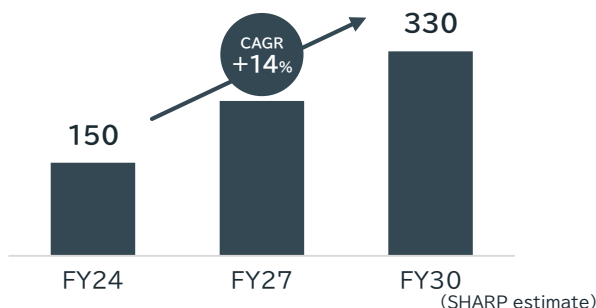
### Opportunities



- In the retail solution market, **cloud-based system** has become prevalent among small and mid-sized enterprises. There is also a growing trend of large enterprises making a transition from their on-premises systems to cloud solutions **depending on their occasion**
- **DX of checkout systems** for purchase and payment processes is accelerating (including self-service, semi-self-service, mobile POS, and automated stores)
- Rapid proliferation of **Cashless transactions** (FY24:40%). Credit card payments account for approximately 80%

#### Retail Solution Market in Japan

(Billions of Yen)



### Competitive Advantages

- **Business foundation and know-how in the retail market** developed through POS business
  - One-stop solutions for major customers, covering development, operation and maintenance support of POS systems
- **HW Development/Cloud Technology** developed through Mobile Communication business
  - Developing in-house general-purpose devices such as smartphones and tablets, as well as payment terminals
  - Capable to provide cloud-based remote monitoring services
- **Technologies related to mobile device** developed through handheld terminal business
  - Design and development capabilities specific to B2B, including high scanning performance, long battery life, lightweight, and durability.



Sales in smart businesses  
(FY24⇒FY27)

+10 billion yen  
or more※

### Key Initiatives

Development

- ✓ Expand DX devices by utilizing open source **mobile OS** in addition to the existing **embedded OS for IoT**
- ✓ Accelerate development of **cloud-based services**

Sales

- ✓ Offer **comprehensive packages** including POS, payment terminals, and handheld terminals
- ✓ Implement maintenance service system on a nationwide scale

Enhance consulting services that provide support from the initial stage for logistics warehouses and factories in need of automation. Expand the robotics business while maintaining a high standard of customer satisfaction.



Competitive Advantages

- Accumulated unique knowledge to foster automation solution through the implementation of robotic systems in various manufacturing, e-commerce, and logistics sectors
- Developed a system that optimally controls over 1,000 automated guided vehicle using Quantum Annealing Technology
- Loyal customers steadily increase, reflecting the high customer satisfaction for mobile robots and robot storage: Net Promoter Score® ※1 50%(FY24)

Key Initiatives

|             |                                                                                                                                                                                                                                                                               |
|-------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Sales       | <ul style="list-style-type: none"><li>✓ Enhance DX consulting system to support DX in logistics warehouses and factories from the initial stage</li><li>✓ Develop No.1 lineup of transport robots in Japan and expand sales to other companies in the same industry</li></ul> |
| Development | <ul style="list-style-type: none"><li>✓ Advance both robot control technology(physical) and optimization calculation(cyber)</li><li>✓ Enhance development of execution application for MES/WES※2</li></ul>                                                                    |

Sales in smart businesses (FY24⇒FY27)    +10 billion yen or more

Enter the next generation communication sector by leveraging one of the world’s smallest level of LEO satellite communication antenna and aim for the global niche top

Opportunities

- Communication network performance has been stabilized due to the increase of Low Earth Orbit(LEO) satellites
- Beyond 2027, the wider use of cellular-based 5G communication technology in satellite communication is expected to enable further high-speed/capacity communication
- LEO satellite market is expected to reach 1.3 trillion yen in the end of 2027(SHARP estimate)

Target Areas



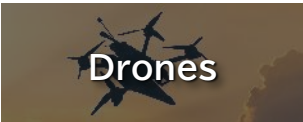
Vessels



Construction and Agricultural Machinery



Automobiles



Drones

+

Emergency communication (BCP) solutions for disasters and other situations

Competitive Advantages

- Miniaturized the device to approximately one-ninth of the traditional models utilizing compact, lightweight technology developed through smartphone design (SHARP research)



- Implemented hybrid communication of LEO satellite and cellular(5G)
- Succeeded in the world’s first 5G connection via LEO satellite (5G NTN)

Key Initiatives

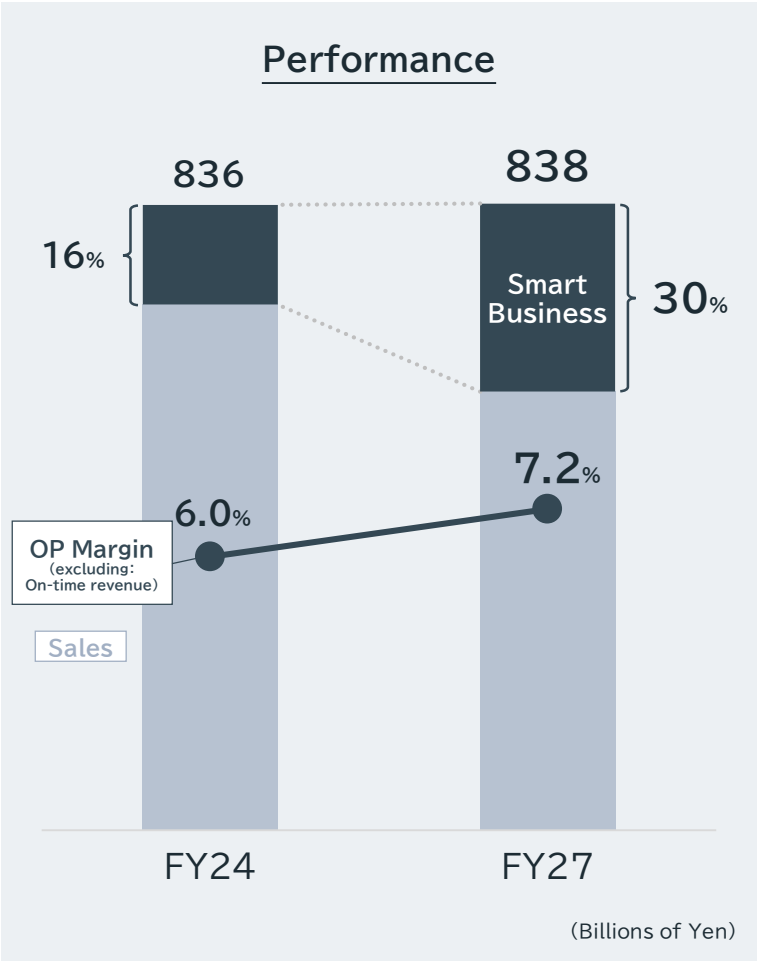
Sales

- Launch the 1st-gen model globally by the end of FY25
- Start commercializing the device from maritime sector through alliance with a marine electronics manufacturer and expand into construction machinery sector

Development

- Pursue miniaturization and weight reduction for installation into automobiles and drones
- Develop new solutions leveraging strength of the terminal

Sales in smart businesses (FY24⇒FY27) +10 billion yen or more



|                                | Outlook<br>(FY24⇒FY27) |                                | Strategic Direction                                                                                                                                                                                                                                                                                                                                          |
|--------------------------------|------------------------|--------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Smart Workplace Business Group | Sales                  | Operating Profit <sup>※1</sup> | <ul style="list-style-type: none"><li>Enhance smart businesses<ul style="list-style-type: none"><li>①Smart products utilizing AI and distinctive technologies</li><li>②DX services centered around SaaS</li><li>③Hybrid Businesses that combine products and services</li></ul></li></ul>                                                                    |
| Workplace Solutions            |                        |                                | <ul style="list-style-type: none"><li>Enhance office solutions</li><li>Expand print services at convenience stores and public print services</li><li>Expand the public signage business utilizing LFD, dvLED, and ePoster</li><li>Expand the robotics business for supporting factory innovation</li></ul>                                                   |
| Computing Solutions            |                        |                                | <ul style="list-style-type: none"><li>Keep No.1 market share in B2B laptop segment in Japan</li><li>Enhance solution businesses that utilize generative AI and LCM</li><li>Expand AI implementation support services</li></ul>                                                                                                                               |
| Mobile Communication           |                        |                                | <ul style="list-style-type: none"><li>Enhance brand presence in smartphone business and launch new wearable devices<br/>(keep No.1 share in Android market for both B2C and B2B in Japan)</li><li>Offer a dialogue solution PF utilizing generative AI</li><li>Launch a satellite communication business utilizing Low Earth Orbit (LEO) satellite</li></ul> |

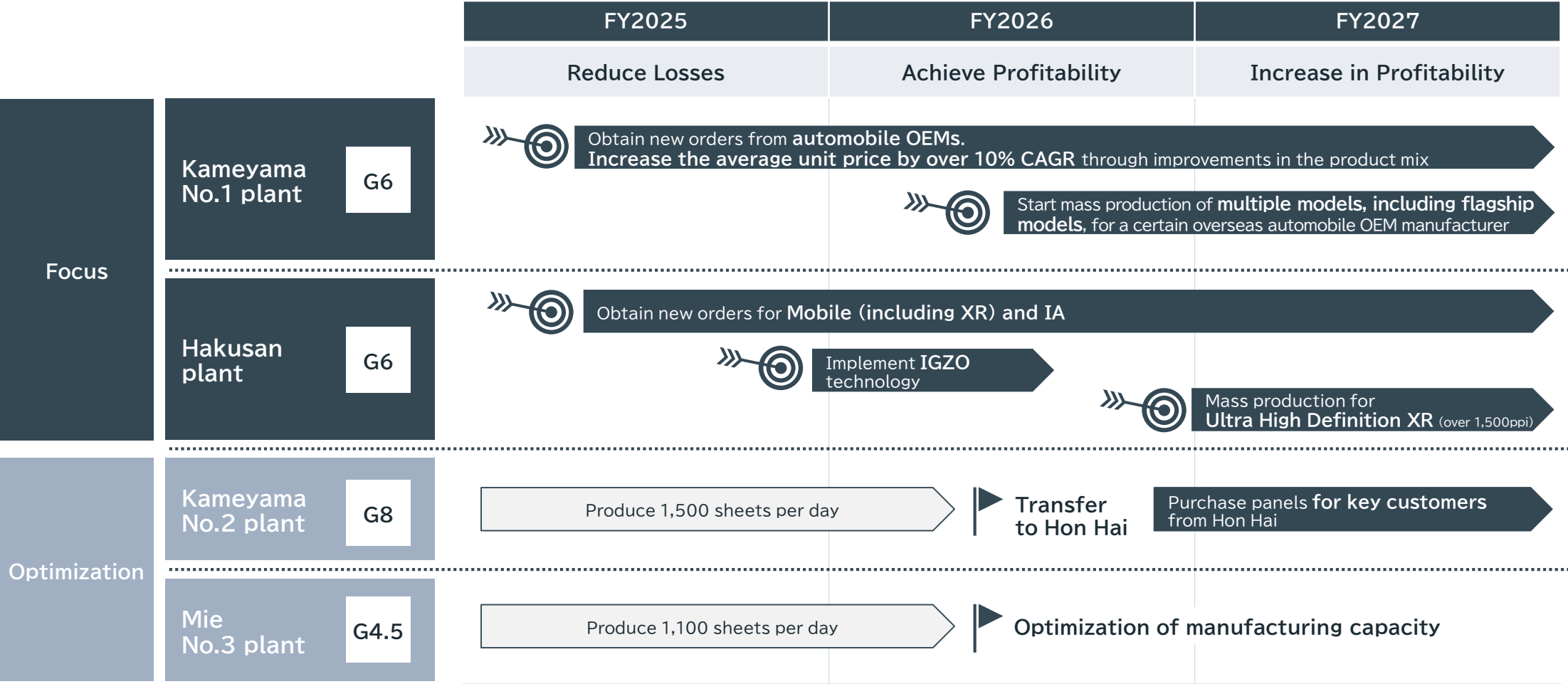
【 Initiatives Policy by Business Segment 】

## Display Device Business



Our Sincerity, Creating Tomorrow

Focus on areas of competitive advantage such as **In-vehicle, Mobile and IA.**  
**Transfer highly volatile Kameyama No.2 plant to Hon Hai by August, 2026.**



Significantly expand the sales of high-value-added products by **reinforcing design development system and assembly site** in addition to **enhancing technological advantages**

### Factory Utilization Policy / Market Environment of Focus Areas

### Key Initiatives

### KPI(FY27)

#### Kameyama No.1 plant

LTPS

#### Specializing in In-vehicle

responding to the growing demand  
for In-vehicle LCD

##### In-vehicle Display Market

- Growing at a CAGR**7%**(FY24-27)
- LCD accounts for **90%** of the market(High Longevity /High Reliability)
- Increasing **need for supply chains restructuring** due to the rising geopolitical risks

- ✓ Accelerate **R&D of distinctive technologies** for In-vehicle LCD
  - Super Low Reflection/Dual View/Click Display, etc.
- ✓ Enhance production capability at the Vietnam assembly site to capture **demand out of supply chain restructuring**
  - Already obtained orders for multiple models from a certain overseas automobile OEM
- ✓ Reinforce the custom design system while shifting development and quality control staff to In-vehicle business

#### Over 13 inches Sales Ratio

FY24 FY27  
**30% ▶ 55% or more**

#### Allocation for a key customer※

**45% or more**

#### Hakusan plant

LTPS

IGZO

LTPO

#### Provide a wide range of high-value-added products

integrating distinctive technologies  
(XR/In-vehicle/ePoster/IA, etc.)

##### XR Display Market

- Growing at a CAGR**25%**(FY24-27)
- Ultra-high-definition products **over 1,000ppi** are driving the growth

- ✓ **Implement IGZO** technology and evolve into a multi plant for IGZO/LTPS/LTPO
- ✓ Keep **outstanding share** in XR LCD market by mass production of LCD **over 1,500ppi**
- ✓ Increase in orders of high-value-added product such as ultra-low power consumption In-vehicle displays(for EVs) utilizing IGZO, and high-resolution ePoster

#### XR LCD Market Share

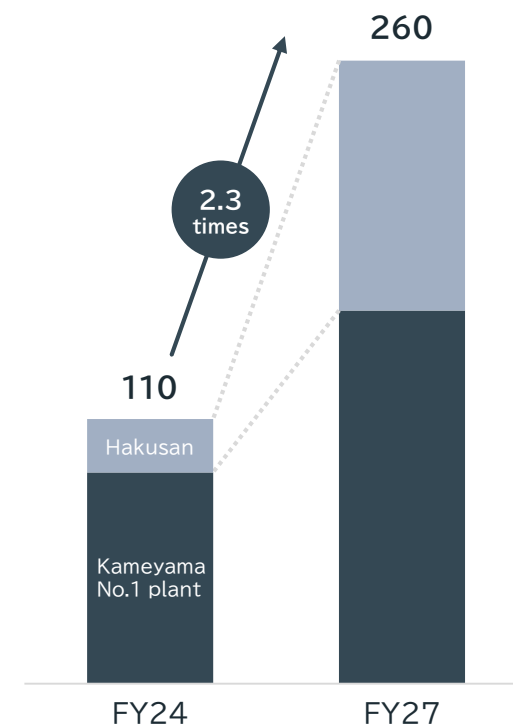
Keep **No.1**

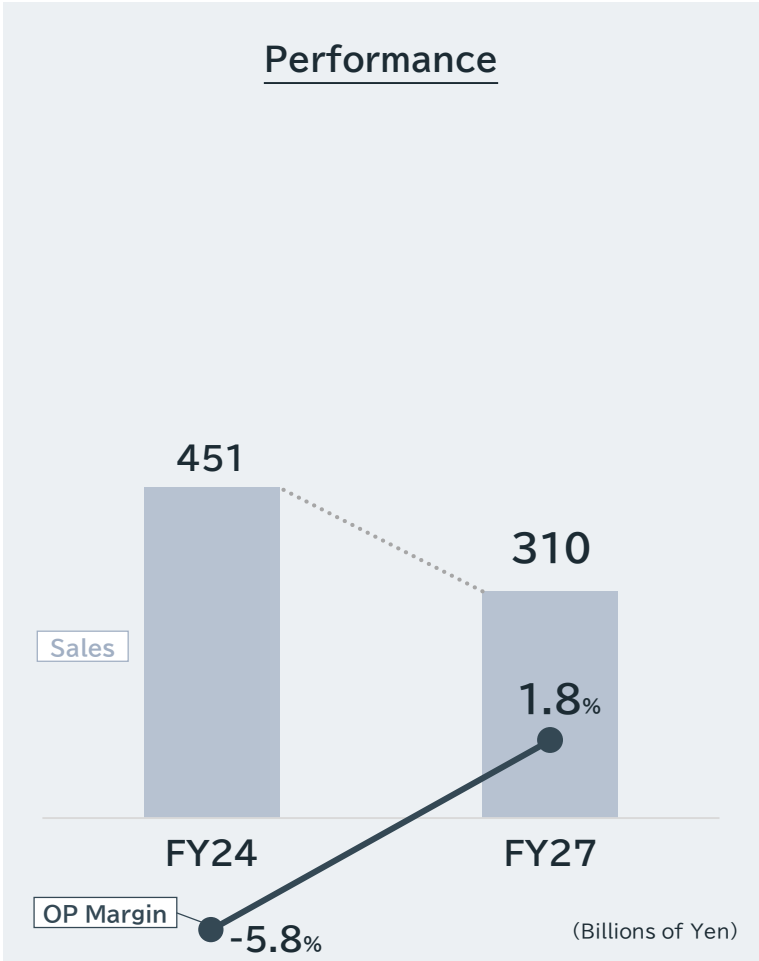
#### Allocation for high-value- added product

**85% or more**

### Sales transition by plant

(Billions of Yen)





|                | Outlook<br>(FY24⇒FY27) |                  | Strategic Direction                                                                                                                                                                                                                                              |
|----------------|------------------------|------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                | Sales                  | Operating Profit |                                                                                                                                                                                                                                                                  |
| Display Device | ↓                      | ↑                | <ul style="list-style-type: none"><li>Create lean operation by “Focusing” on key categories and the optimization of panel production plants</li></ul>                                                                                                            |
| In-Vehicle     | ↑                      | ↑                | <ul style="list-style-type: none"><li>Convert Kameyama No.1 plant to “a dedicated factory for In-vehicle LCD”</li><li>Expand sales to automobile OEMs primally in Europe and America by leveraging distinctive technologies and the strategic location</li></ul> |
| Mobile IA      | ↑                      | ↑                | <ul style="list-style-type: none"><li>Strategically shift new orders to the Hakusan plant</li><li>Enhance market presence with ultra-high-definition technologies centered around IGZO</li></ul>                                                                 |
| IT             | ↓                      | ↑                | <ul style="list-style-type: none"><li>Transfer the Kameyama No.2 plant to Hon Hai</li><li>Continue product development and sales of high-value-added displays to key customers using panels purchased from Hon Hai</li></ul>                                     |

Accelerate **New Innovation**, while **effectively utilizing Hon Hai's resources**,  
in emerging and high-growth industries

FY2024  
【Structural reform】

FY2025-2027  
【Regrowth】

FY2028-  
【Leap】

### EV

Accelerate the commercialization of  
**LDK+** (EV as an extension of the home)

(Hon Hai)  
EV design/production

AIoT products·  
services

Energy Solution

### AI Data Center Solutions

Considering new business expansion  
leveraging **Hon Hai's capabilities**

(Hon Hai)  
AI Server

Various customer  
touchpoints

IT Solutions

### Industrial DX & Robotics

Deploying **automation DX solutions**  
for railway, construction and infrastructure inspection sites, etc.

High-Resolution Image  
Measurement and Analysis

Communication/  
Audio Visual  
Technology

Physical AI

### Space

Expand a wide variety of businesses by leveraging distinctive technologies,  
including **Space-qualified solar cells**

6G  
Standardization

Next-Generation  
Image Coding

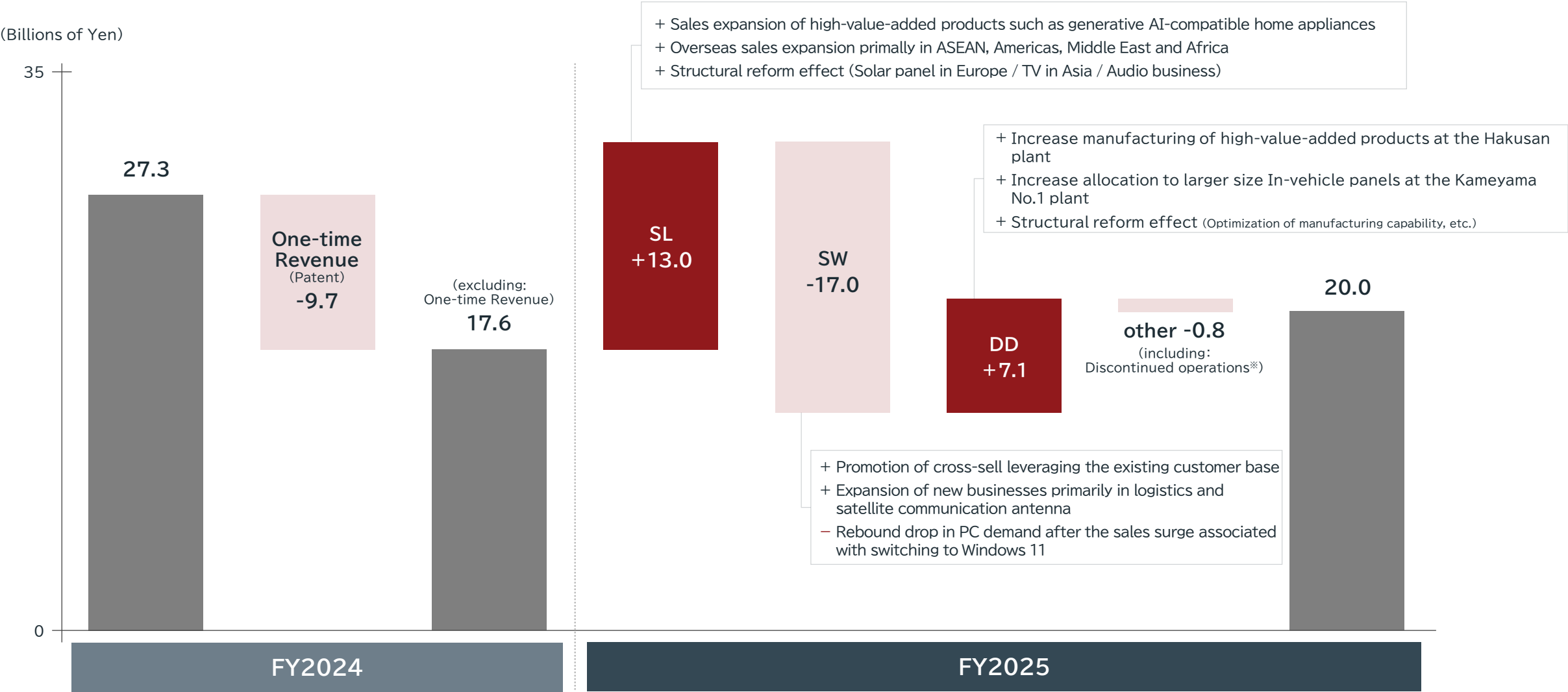
World's Highest  
Conversion Efficiency  
Solar Cells

Sharp's strengths to promote Next Innovation



# FY2025 Full Year Forecast

| (Billions of Yen)              | FY2024         | FY2025               |        |
|--------------------------------|----------------|----------------------|--------|
|                                | Fiscal Year    | Fiscal-Year Forecast | Y on Y |
| Net Sales                      | 2,160.1        | 1,850.0              | -14.4% |
| Operating Profit<br>(margin)   | 27.3<br>(1.3%) | 20.0<br>(1.1%)       | -26.8% |
| Ordinary Profit<br>(margin)    | 17.6<br>(0.8%) | 5.0<br>(0.3%)        | -71.7% |
| Bottom-line Profit<br>(margin) | 36.0<br>(1.7%) | 10.0<br>(0.5%)       | -72.3% |
| Avg. Exchange Rate             |                |                      |        |
| USD/JPY                        | 152.57         | 145.00               |        |
| Euro/JPY                       | 163.73         | 160.00               |        |



**With sincerity, we observe people's daily lives.  
With creativity, we shape new experiences**

- Our Sincerity, Creating Tomorrow -

**SHARP**