

FY2025 Financial Summary and FY2025-2027 Medium-term Management Plan Progress Updates

May 12, 2026
SHARP Corporation



FY2025 Financial Summary

- In the Brand Business, operating profit exceeded that of the previous fiscal year although sales decreased due to intensifying competition and decline in demand in fiscal 2025.
- In the Display Device, the operating loss significantly narrowed despite a decline in sales.
- In all company, profits improved although sales decreased. Sales, operating profit, and ordinary profit exceeded the company's forecasts, and bottom-line profit increased over 30% compared to the previous fiscal year, which had benefited from substantial extraordinary income.
- The financial position also improved significantly, with the equity ratio rising from 10.5% to 19.6%. Syndicated loan was successfully refinanced, and our credit rating was upgraded.
- Major structural reforms were mostly completed as of fiscal 2025. Initiatives for growth will be strengthened in fiscal 2026.

	FY2024	FY2025			
(Billions of Yen)	Fiscal Year	Fiscal Year	Y on Y	Fiscal Year Forecast(Feb.)	Difference
Net Sales	2,160.1	1,892.8	-12.4%	1,870.0	+22.8
Operating Profit (margin)	27.3 (1.3%)	48.5 (2.6%)	+77.6%	45.0 (2.4%)	+3.5
Ordinary Profit (margin)	17.6 (0.8%)	57.9 (3.1%)	+228.3%	52.0 (2.8%)	+5.9
Bottom-line Profit (margin)	36.0 (1.7%)	47.4 (2.5%)	+31.4%	53.0 (2.8%)	-5.6
Dividends Per Share	0 yen	0 yen			
Avg. Exchange Rate					
USD/JPY	152.57	150.78			
EUR/JPY	163.73	174.79			

In the Brand Business, **profit growth was maintained** despite a sales decline amid a challenging environment.
In the Display Device, **operating losses narrowed**, driven by improvements in automotive, mobile※ and industrial applications

		Sales			Operating Profit		
		FY2024	FY2025		FY2024	FY2025	
(Billions of Yen)		Fiscal Year	Fiscal Year	Y on Y	Fiscal Year	Fiscal Year	Y on Y
	Smart Life	643.5	597.9	-7.1%	21.9 (3.4%)	28.4 (4.8%)	+29.5%
	Smart Workplace	836.3	833.8	-0.3%	59.6 (7.1%)	57.5 (6.9%)	-3.5%
	Brand Business	1,479.9	1,431.8	-3.3%	81.6 (5.5%)	86.0 (6.0%)	+5.4%
	Display Device	452.2	423.5	-6.4%	-26.9 (-6.0%)	-18.2 (-4.3%)	-
	Subtotal	1,932.1	1,855.3	-4.0%	54.7 (2.8%)	67.7 (3.7%)	+23.9%
	Others	257.1	47.0	-81.7%	-7.8 (-3.0%)	0.6 (1.5%)	-
	Total(Incl. Adjustment)	2,160.1	1,892.8	-12.4%	27.3 (1.3%)	48.5 (2.6%)	+77.6%

Summary of Non-Operating Income(Expenses) / Extraordinary Income (Losses) /Taxes

(Billions of Yen)	FY2024	FY2025			
	Fiscal Year	Q1-Q3	Q4	Fiscal Year	Difference Y on Y
Operating Profit	27.3	40.9	7.5	48.5	+21.2
Non-operating Income (Expenses)	-9.6	+6.7	+2.6	+9.3	+18.9
Interest expenses	-10.2	-6.4	-2.2	-8.6	+1.6
Foreign exchange gain (losses)	-12.6	+1.4	+1.9	+3.4	+16.0
Share of profit (loss) of entities accounted for using equity method	+7.9	+6.0	+1.8	+7.9	+0.0
Ordinary Profit	17.6	47.7	10.2	57.9	+40.3
Extraordinary Income (Losses)	+35.9	+29.7	-24.3	+5.4	-30.5
Gain on sale of investment securities	+28.2	+0.0	-	+0.0	-28.2
Gain on sale of non-current assets	+78.0	+33.8	+2.2	+36.1	-41.9
Business restructuring expenses	-29.6	-3.0	-16.8	-19.8	+9.8
Impairment losses	-54.3	-3.5	-2.5	-6.0	+48.3
Provision for product warranties	-	-	-7.0	-7.0	-7.0
Pretax Income	53.6	77.4	-14.0	63.3	+9.7
Income Taxes, etc.	-17.5	-9.9	-6.0	-15.9	+1.6
Bottom-line Profit	36.0	67.5	-20.0	47.4	+11.4

Equity and IB debt improved significantly following the previous fiscal year.

The increase in inventories was mainly due to advance procurement of materials, including memory

	FY2024	FY2025	
(Billions of Yen)	End of Mar.	End of Mar.	Difference Y on Y
Equity	153.3	279.9	+126.6
(Equity Ratio)	(10.5%)	(19.6%)	(+9.1pt)
Inventories	242.0	250.3	+8.3
(Ratio vs Monthly Sales)	(1.34)	(1.59)	(+0.25)
Interest-Bearing Debt	567.6	492.5	-75.1
Net Interest-Bearing Debt	288.3	254.1	-34.2
(Net Debt to Equity Ratio)	(1.9times)	(0.9times)	(-1.0pt)
Free Cash Flow	+102.1	+71.5	-30.6
Exchange Rate, End of Period			
USD/JPY	149.53	159.93	
EUR/JPY	162.03	183.44	

In the first year of the Medium-Term Management Plan,
the **establishment of a foundation for regrowth** steadily progressed

1. A milestone reached in asset-light transformation of the Device Business

- ✓ Transferred the Camera Module Business and Semiconductor Business to Hon Hai
- ✓ Decided to cease production at the Kameyama No.2 plant

2. Progress in improving profitability and strengthening the financial foundation

- ✓ Achieved a significant increase in operating profit
- ✓ Improved the equity ratio to 19.6%
- ✓ Refinanced the syndicated loan, strengthening financial institutions' support framework

3. Laying the groundwork for regrowth

- ✓ Expanded investments in the Brand Business
- ✓ Strengthened the organizational capacity for new businesses development
- ✓ Established a new corporate slogan, "In step with your future."



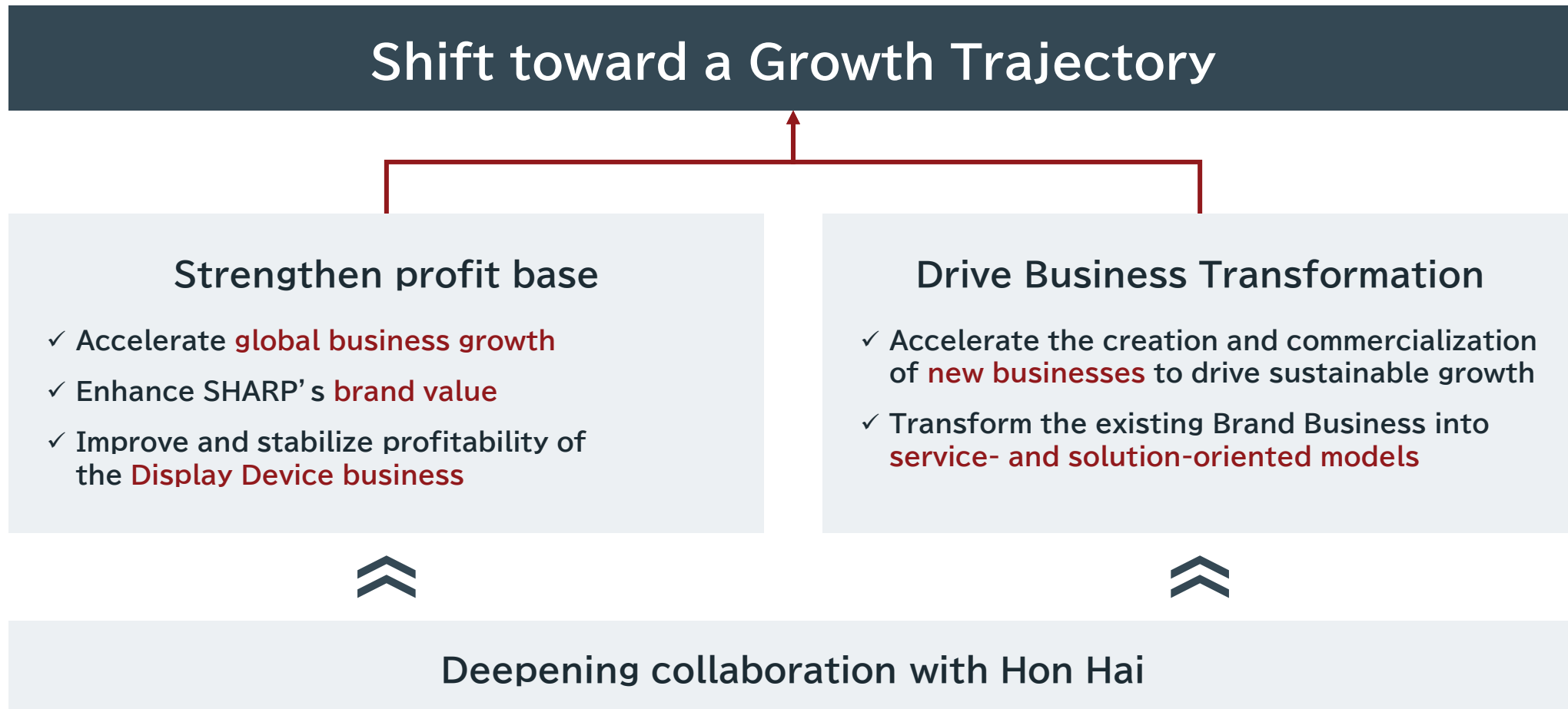
Strategic Direction toward Regrowth

- ✓ **Creation of growth businesses is essential to achieve regrowth, as the business portfolio is **centered on mature businesses****
 - Direction of new industrial domains has been indicated but remain in the early stage and have not yet reached monetization.

- ✓ **The Brand Business, which forms the profit base, needs to be rebuilt, as it has **shifted to a sales decline** while the operating loss in Device Business narrowed**
 - Competition intensified faster than initially anticipated, such as the expansion of Chinese companies.
 - Business expansion in overseas markets with significant growth potential has been insufficient.

- ✓ **Headwinds to profitability are intensifying due to the **deteriorating external environment****
 - Rising prices of materials such as memory and SSD
 - Rise in crude oil prices due to instability in the Middle East
 - Rising interest rates and the continued weakness of the yen

Accelerate efforts to strengthen the profit base and drive business transformation, shifting toward a growth trajectory, while maintaining the strategic framework of Medium-Term Management Plan





FY2026 Forecast

- **Rise in Memory / SSD price** will be basically reflected to selling prices
- **Rise in resin and fuel prices** caused by the deteriorating situation in the Middle East are not reflected in the current forecast as it is difficult to quantify its impact at this stage
- **Exchange rate:** USD 1=JPY 156
(approximately ¥5 depreciation from the previous fiscal year)

Brand Business

- Smart Life
- Smart Workplace

- ✓ Deliver steady profit **while navigating deteriorating external environment**
- ✓ Expand **service- and solution-oriented offering**

【Strengthen profit base】

【Business transformation】

Display Device

- ✓ Complete structural reforms and put **profitability** within reach
 - Achieve operating profitability in “continuing businesses”, including the Kameyama No.1 and Hakusan plants

【Strengthen profit base】

New Businesses

- ✓ Proceed to **execution phase** toward commercialization

【Business transformation】

(Billions of Yen)	FY2025	FY2026	
	Fiscal Year	Fiscal-Year Forecast	Y on Y
Net Sales	1,892.8	1,770.0	-6.5%
Operating Profit (margin)	48.5 (2.6%)	49.0 (2.8%)	+0.9%
Ordinary Profit (margin)	57.9 (3.1%)	39.0 (2.2%)	-32.7%
Bottom-line Profit (margin)	47.4 (2.5%)	42.0 (2.4%)	-11.5%
Avg. Exchange Rate			
USD/JPY	150.78	156.00	
EUR/JPY	174.79	183.00	

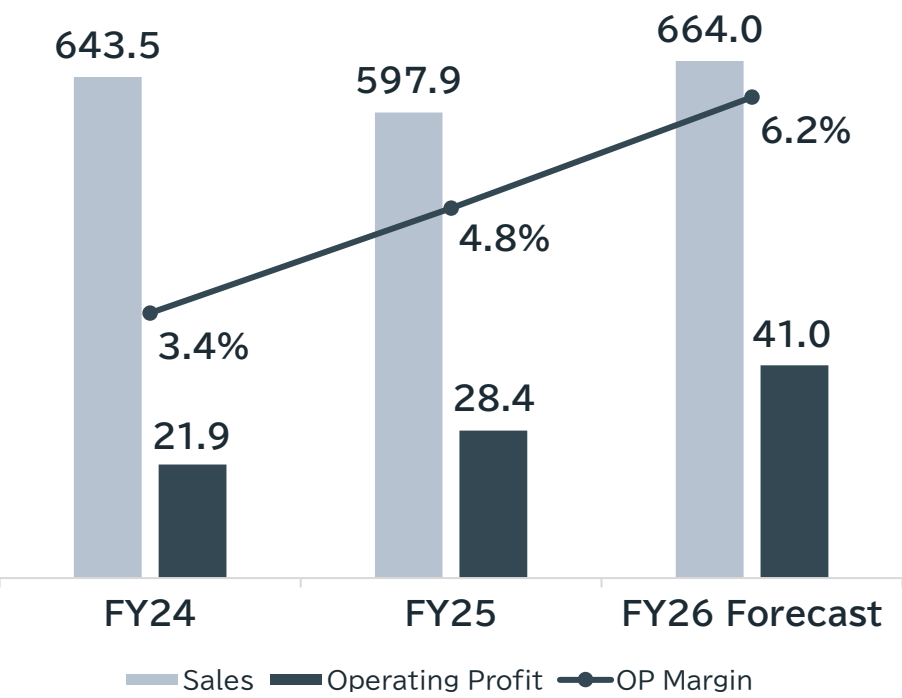
Aim for **company-wide profit growth** by improving profitability in Display Device,
while Brand Business declines from a deteriorating external environment
and the normalization following Windows 11 replacement demand

(Billions of Yen)		Sales			Operating Profit		
		FY2025	FY2026		FY2025	FY2026	
		Fiscal Year	Fiscal Year	Y on Y	Fiscal Year	Fiscal Year	Y on Y
	Smart Life	597.9	664.0	+11.0%	28.4 (4.8%)	41.0 (6.2%)	+44.1%
	Smart Workplace	833.8	779.0	-6.6%	57.5 (6.9%)	39.0 (5.0%)	-32.3%
	Brand Business	1,431.8	1,443.0	+0.8%	86.0 (6.0%)	80.0 (5.5%)	-7.0%
	Display Device	423.5	323.0	-23.7%	-18.2 (-4.3%)	-6.0 (-1.9%)	-
	Subtotal	1,855.3	1,766.0	-4.8%	67.7 (3.7%)	74.0 (4.2%)	+9.2%
	Total (Incl. Adjustment)	1,892.8	1,770.0	-6.5%	48.5 (2.6%)	49.0 (2.8%)	+0.9%
Avg. Exchange Rate							
	USD/JPY	150.78	156.00				
	EUR/JPY	174.79	183.00				

Aim for sales and profit growth by accelerating **global expansion** and **value-added enhancement** amid a challenging competitive and external environment

Performance trends

(Billions of Yen)



FY2025

Decrease in sales/
Increase in profit

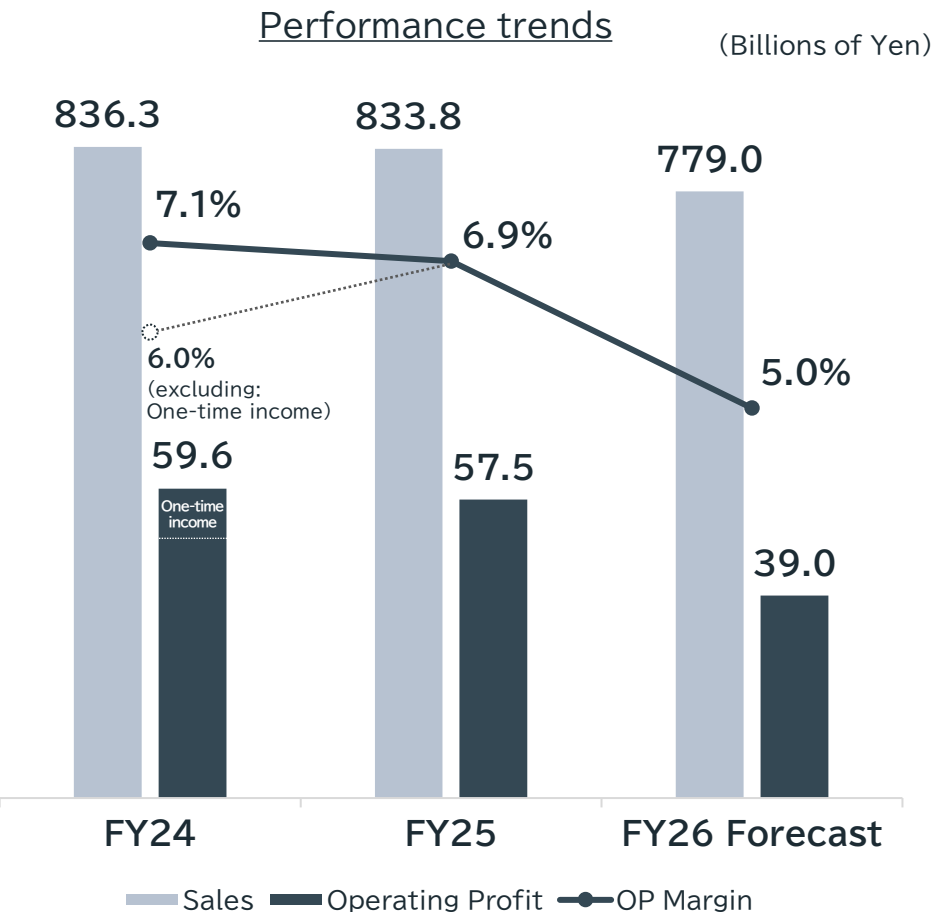
- Decrease in air conditioner sales due to sluggish market conditions caused by unfavorable weather in ASEAN
- Decrease in sales in the domestic drum-type washing machine business amid intensifying competition
- + Continued expansion of the U.S. cooking appliances business
- + Expansion of B2B business, including ice slurry refrigerators and commercial cooking equipment
- + Benefits from structural reforms in TV and energy solution business

FY2026

Increase in sales/
Increase in profit

- + Expansion of air conditioner sales in ASEAN
- + Expansion of sales in the domestic air conditioner business, driven by a strengthened product lineup and front-loaded demand associated with revised energy efficiency standards
- + Recovery of sales in the domestic drum-type washing machine business, led by high value-added products in the compact model segment (sales have been favorable since the launch of a new product in the second half of previous fiscal year)
- + Expansion of the EPC business in the energy solutions segment

Expand IT services for office and solution-oriented businesses to accelerate the **shift towards Smart Business**, despite profit pressure from the normalization following Windows 11 replacement demand and rising prices of memory and SSD



FY2025

Flat in sales/ Increase in profit
(excluding FY2024 one-time income)

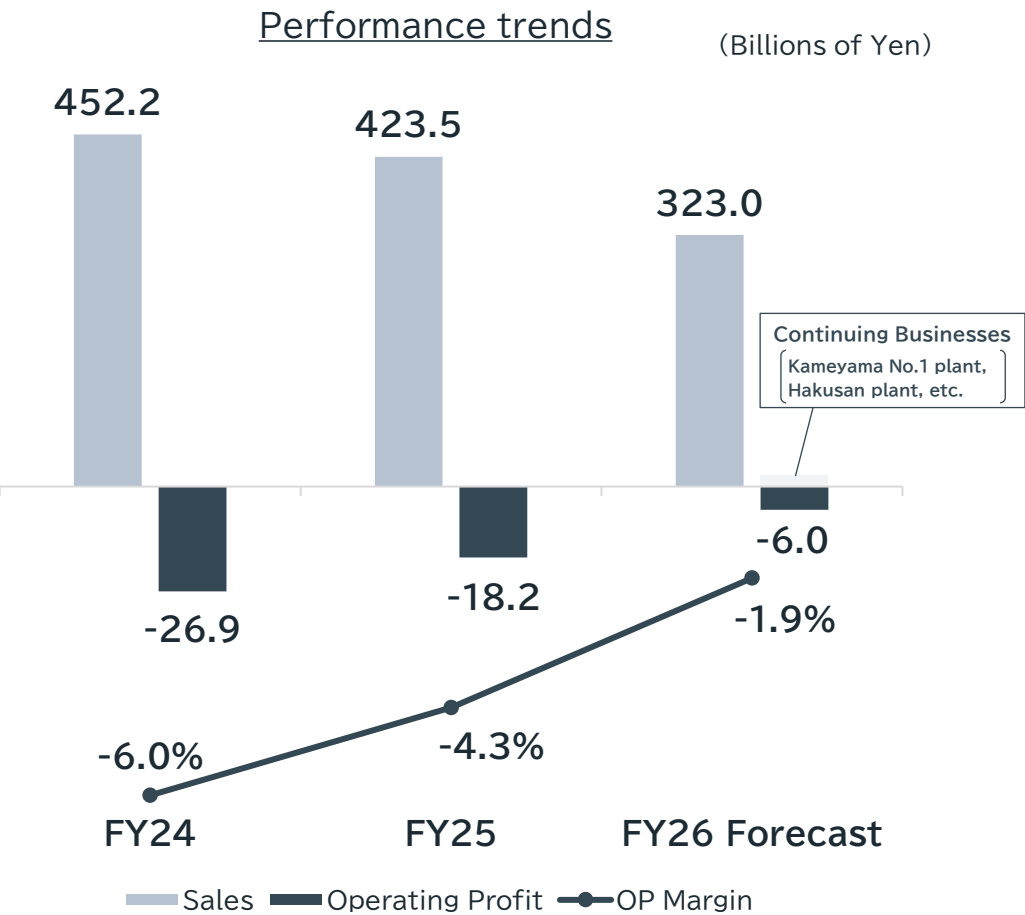
- + PC sales increased significantly by capturing rush demand associated with the shift to Windows 11 and increasing prices of memory and SSD
- + Office solutions business grew, due to continuing growth by IT services in Europe
- + Print services for convenience stores in Japan remained steady
- Mobile communications business sales decreased significantly due to competitors' aggressive sales activities

FY2026

Decrease in sales/
Decrease in profit

- Significant decline in PC business due to rebound decline from special demand (B2B market in Japan : down more than 30% from previous year)
 - Will maintain market leader position in unit share
- Minimize impact from increasing memory and SSD prices through measures such as increasing selling prices
- + Ongoing growth in office solutions business
- + Expand sales of information display business by obtaining orders centered by dvLED in Europe and America

Achieve **profitability** in “**continuing businesses**” including the Kameyama No.1 and Hakusan plants, by expanding sales in strategic focus areas such as automotive, mobile, and industrial applications



FY2025	Decrease in sales/ Losses narrowed
+ Improved product mix for automotive applications + Expanded sales for mobile and industrial applications at Hakusan plant from second half onward + Reduced fixed costs through optimization of production capacity at the Kameyama No.2 plant and Mie No.3 plant (June 2024)	
FY2026	Decrease in sales/profitability in continuing businesses
【Continuing businesses】 + Start supply to a certain automobile customer from the Kameyama No.1 plant (from the second half of FY2026) + Continue expanding sales of high value-added products from Hakusan plant 【Kameyama No.2 plant】 ※ Cessation timing is expected to be delayed in response to customer demand (from August to December) - Deterioration in model mix during the production cessation process (expected operating loss of approximately ¥9.0 billion at the plant)	

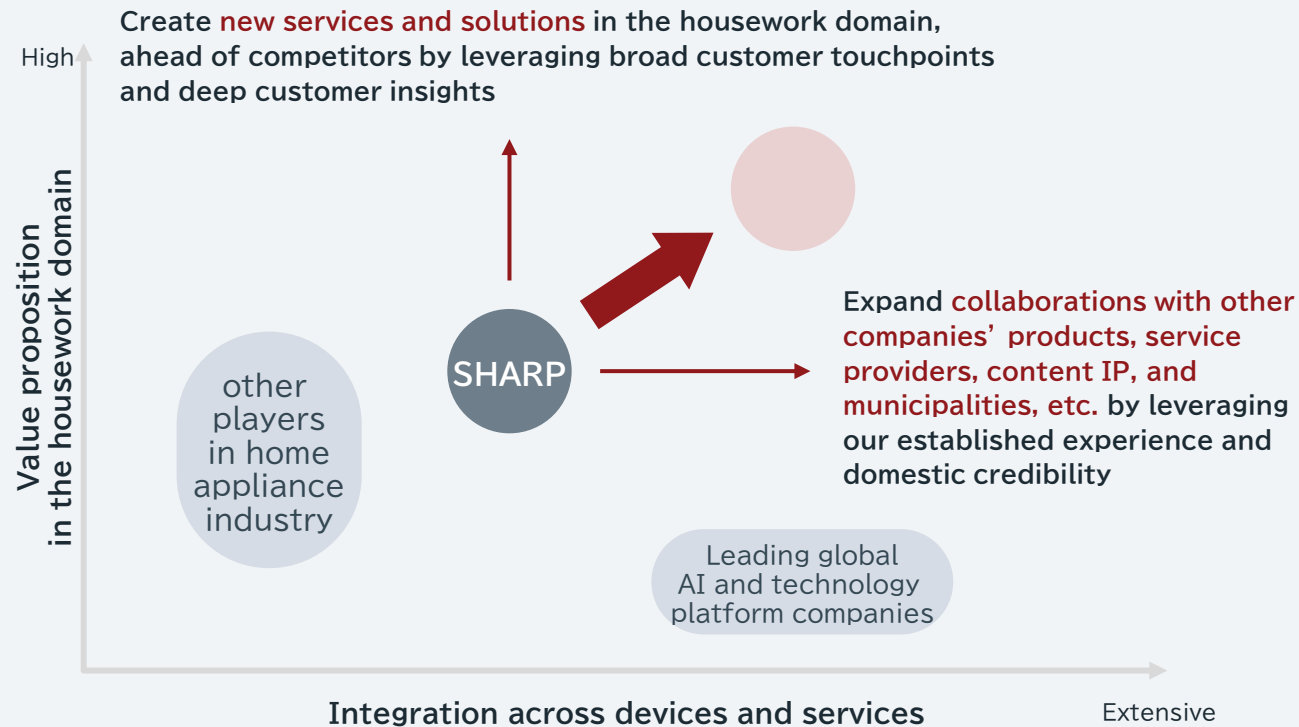


Progress Updates on Major Initiatives

Pursue AIoT value enhancement through two key drivers

“Value proposition in the housework domain” × “Integration across devices and services”

Our position (in Japan) and future direction



Major Achievements in FY2025

Built the foundation for full-scale expansion of the AIoT business

- ✓ Launched generative AI-compatible appliances and generative AI-powered services
- ✓ Integrated product-level customer data into a unified foundation
- ✓ Launched new services in collaboration with external partners

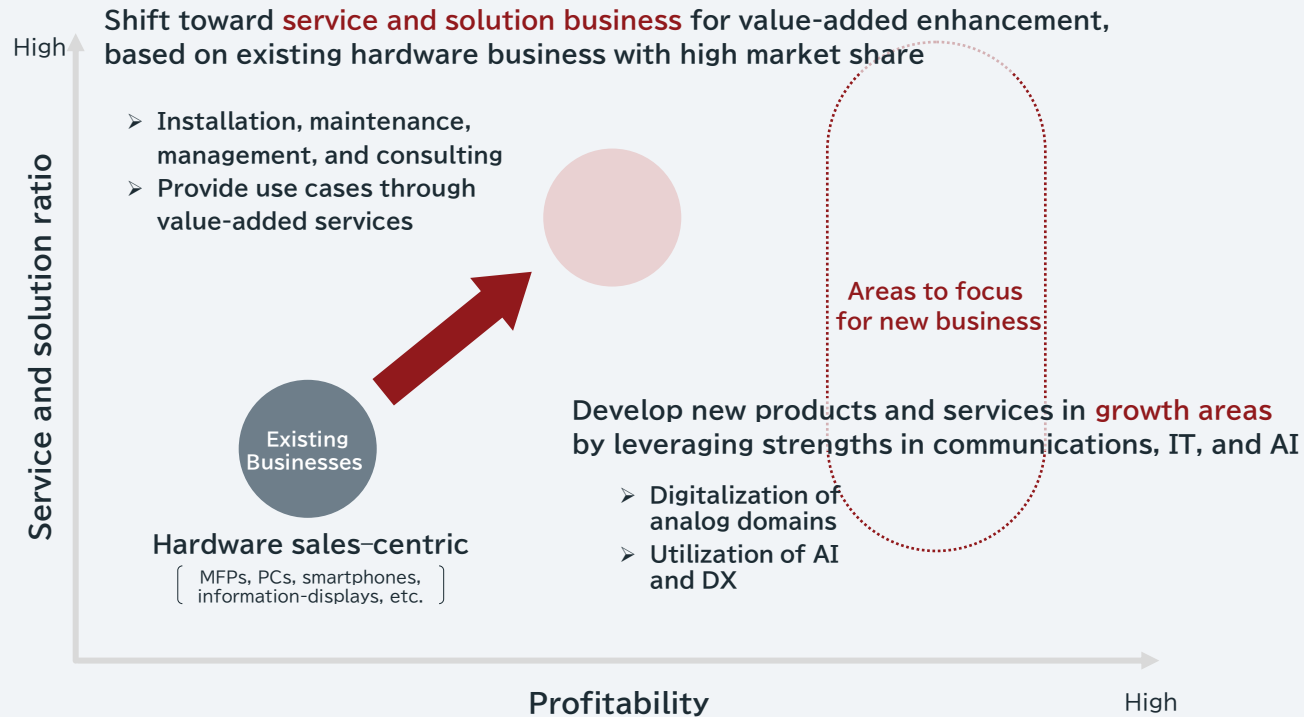
Major Initiatives for FY2026

AI service commercialization & the acceleration of global rollout

- ✓ Launch a unique paid AI-powered service that supports users' everyday life
- ✓ Continue expanding generative AI-compatible appliances, generative AI-powered services, and external collaborations
- ✓ Expand COCORO HOME into ASEAN market (already launched in the U.S. in FY2025)

Transform business structure that delivers both high profitability and high growth by **value-added enhancement** of existing businesses and **creating new businesses in growth areas**

Our position and future direction



Major Achievements in FY2025

Steady progress in business transformation & the acquisition of growth partners

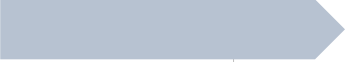
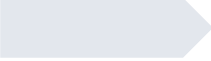
- ✓ Continuing growth of IT services for office
- ✓ Acquired two growth partners as subsidiaries
 - Synapse Innovation Co., Ltd. (Japan), provider of cloud ERP solutions (Mar. 2026)
 - Securecom Ltd. (New Zealand), a provider of managed IT services (Mar. 2026)

Major Initiatives for FY2026

Further accelerate business transformation

- ✓ Materialize synergies with the two subsidiaries acquired in FY25
 - Deploy ERP and managed IT services across the existing customer base
- ✓ Strengthen proposals for the manufacturing industry in the robotics business and expand consulting services
- ✓ Promote PoC initiatives for satellite communications business targeting commercialization in FY27,

Steadily build **tangible results** in each business domain,
while keeping a clear focus on **significant growth opportunities**

Business Domains		Development Stage			Progress and Key Milestones
		Feasibility Assessment	Entry Preparation	Launch/Expansion	
① AI server					➤ Developing concrete business plans and schemes, aiming for entry into the Japanese market in FY2027
② EV					➤ Assessing the entry plan considering current market trends
③ Robotics & Industrial DX					➤ In addition to business expansion in the logistics field, PoC are being conducted with partner companies in fields such as railways, construction sites, and infrastructure maintenance , leveraging strengths in imaging-related technology
④ Space	Satellite Communications				➤ Conducting PoC with satellite communication operator toward a business launching in FY2027 , while leading the industry in R&D of 5G-NTN(5G-based non-terrestrial network) technology
	Space-Qualified PV				➤ Advancing customer acquisition by leveraging proven track record and broad product lineup with the background of expected market growth amid the expansion of LEO satellite communications

Business Briefing will be held as follows

(Details will be announced separately)

- | | |
|--------------|--|
| Date & Time | : Tuesday, June 9 1:00 p.m. – 3:45 p.m. JST (max) |
| Venue | : SHARP Shibaura Office + Online |
| Agenda | : <ul style="list-style-type: none">•Initiatives by business segment•Progress of new business development |
| Participants | : Institutional investors, securities analysts,
and media representatives |

SHARP

In step with your future.