Consolidated Financial Results for the First Quarter, Fiscal 2026

SHARP CORPORATION

August 7, 2026

Outline

- In the first quarter, sales increased in both Brand Business segments compared to the same period of the last fiscal year. Operating profit declined due to the significant impact of higher component prices and the weaker yen.

  Operating loss in Display Device narrowed, while sales decreased.

- Although Sharp's net sales and profits decreased, operating profit exceeded the fourth quarter of fiscal 2025. Bottom-line profit remained profitable.

- The equity ratio increased to the 20% range for the first time since the third quarter of fiscal 2022.

- Full-year financial results forecast was revised to reflect the impact of rising resin and fuel prices, as well as a change in foreign exchange rate forecast.

Ⅰ. Consolidated Financial Results for the First Quarter, Fiscal 2026

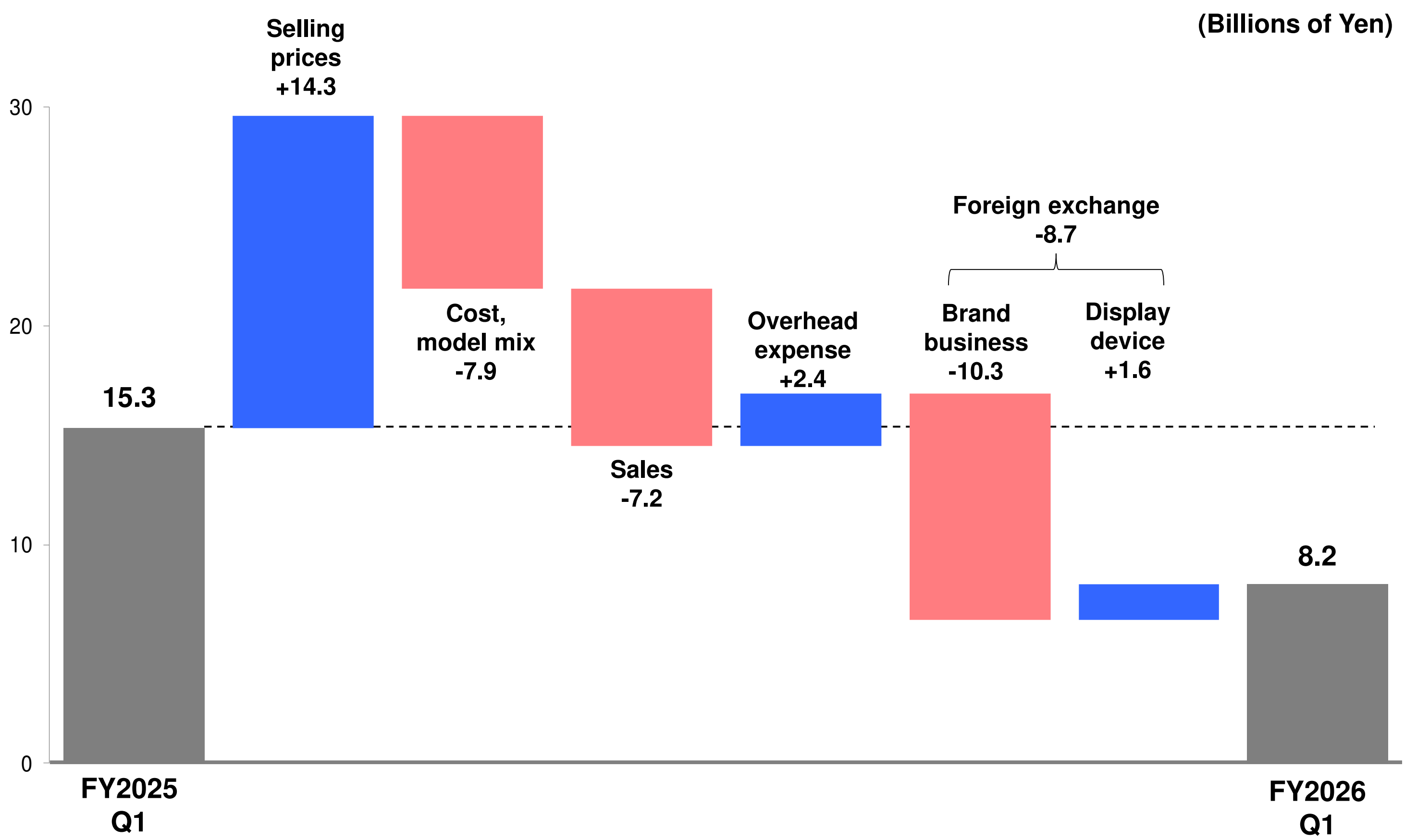
Consolidated Financial Results for the First Quarter, Fiscal 2026

(Billions of Yen)	FY2025 Q1	FY2025 Q2	FY2025 Q3	FY2025 Q4	FY2026 Q1	Y on Y Difference	Y on Y Change
Net Sales	**472.4**	**477.8**	**467.3**	**475.1**	**435.2**	-37.2	-7.9%
Operating Profit	**15.3**	**13.6**	**12.0**	**7.5**	**8.2**	-7.1	-46.3%
	(3.2%)	(2.9%)	(2.6%)	(1.6%)	(1.9%)		
Ordinary Profit	**18.5**	**14.9**	**14.1**	**10.2**	**6.5**	-12.0	-64.5%
	(3.9%)	(3.1%)	(3.0%)	(2.2%)	(1.5%)		
Bottom-line Profit	**27.2**	**18.2**	**22.0**	**-20.0**	**3.1**	-24.1	-88.6%
	(5.8%)	(3.8%)	(4.7%)	(-4.2%)	(0.7%)		
Avg. Exchange Rates							
USD/JPY	144.60	147.48	154.15	156.87	159.49	-	-
Euro/JPY	163.81	172.31	179.39	183.65	185.38	-	-

Operating Profit Analysis: Y on Y Change Factors

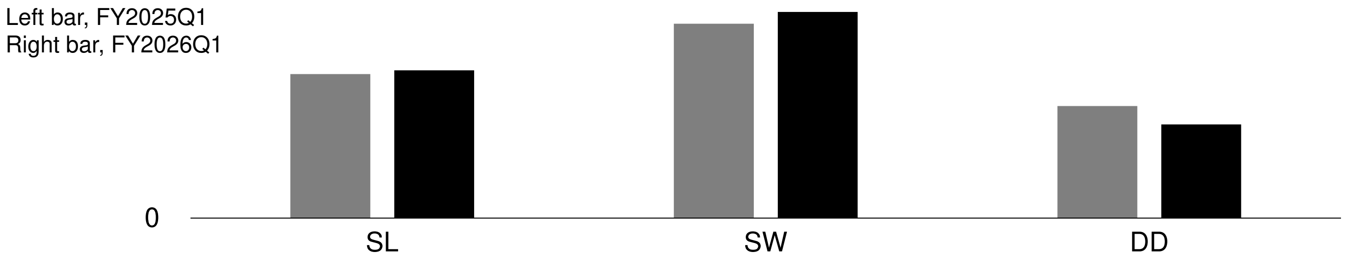
(Management accounting)

(Billions of Yen)



Sales by Segment

(Billions of Yen)	FY2025				FY2026	
	Q1	Q2	Q3	Q4	Q1	Y on Y
Smart Life	140.3	150.7	157.1	149.6	144.0	+2.6%
Smart Workplace	189.3	219.1	207.5	217.7	200.8	+6.1%
Brand Business	329.7	369.9	364.7	367.4	344.9	+4.6%
Display Device	109.2	102.6	103.5	108.0	91.3	-16.4%
Subtotal	439.0	472.5	468.2	475.4	436.2	-0.6%
Others	38.0	7.2	0.8	0.8	-	-
Total	477.0	479.8	469.1	476.3	436.2	-8.6%
Adjustments	-4.5	-1.9	-1.7	-1.1	-1.0	-
Consolidated total	472.4	477.8	467.3	475.1	435.2	-7.9%



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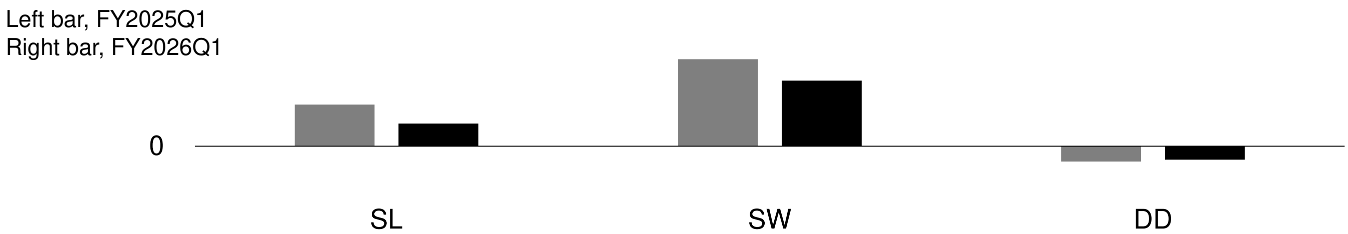
*Sales include inter-segment sales and transfers.

Operating Profit by Segment

(Billions of Yen)	FY2025				FY2026	
	Q1	Q2	Q3	Q4	Q1	Y on Y
Smart Life	6.8 (4.9%)	6.4 (4.2%)	8.4 (5.4%)	6.7 (4.5%)	3.7 (2.6%)	-45.6%
Smart Workplace	14.2 (7.5%)	18.7 (8.6%)	13.7 (6.6%)	10.8 (5.0%)	10.7 (5.3%)	-24.6%
Brand Business	21.0 (6.4%)	25.1 (6.8%)	22.2 (6.1%)	17.5 (4.8%)	14.4 (4.2%)	-31.5%
Display Device	-2.5 (-2.3%)	-6.2 (-6.1%)	-4.8 (-4.6%)	-4.7 (-4.4%)	-2.1 (-2.4%)	-
Subtotal	18.5 (4.2%)	18.9 (4.0%)	17.3 (3.7%)	12.8 (2.7%)	12.2 (2.8%)	-33.9%
Others	1.3 (3.5%)	-0.1 (-1.6%)	-0.5 (-58.8%)	-0.0 (-2.6%)	-	-
Total	19.9 (4.2%)	18.8 (3.9%)	16.8 (3.6%)	12.8 (2.7%)	12.2 (2.8%)	-38.3%
Adjustments	-4.6	-5.1	-4.8	-5.2	-4.0	-
Consolidated total	15.3 (3.2%)	13.6 (2.9%)	12.0 (2.6%)	7.5 (1.6%)	8.2 (1.9%)	-46.3%



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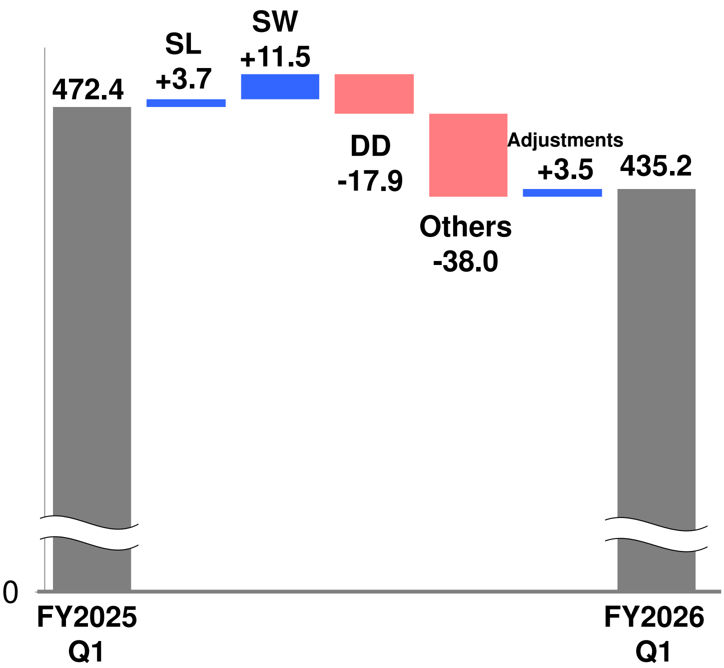
*Figures within parentheses indicate operating margin.

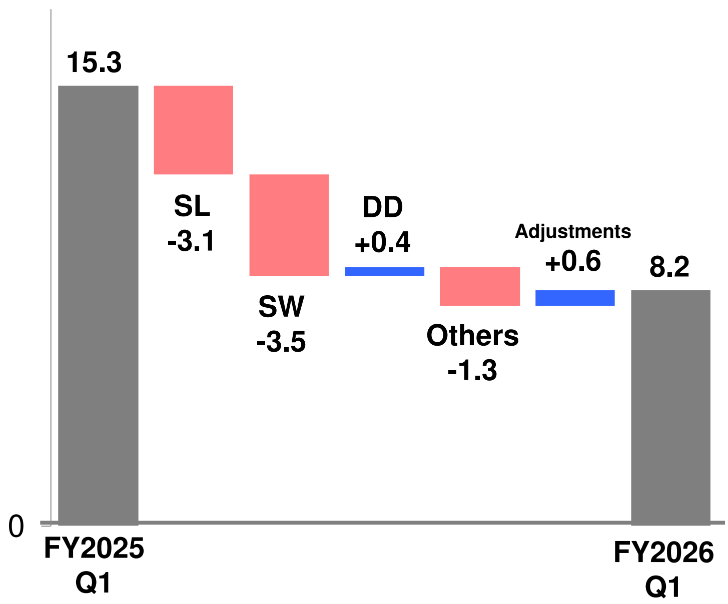
Sales and Operating Profit: Y on Y Change by Segment

Sales



Operating profit

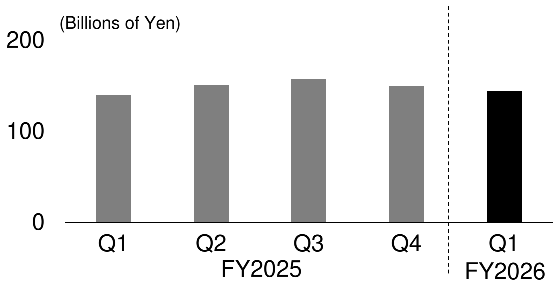
(Billions of Yen)



Smart Life

(Billions of Yen)	FY2025				FY2026	
	Q1	Q2	Q3	Q4	Q1	Y on Y
Sales	140.3	150.7	157.1	149.6	144.0	+2.6%
Operating Profit	6.8	6.4	8.4	6.7	3.7	-45.6%
	(4.9%)	(4.2%)	(5.4%)	(4.5%)	(2.6%)	

Sales

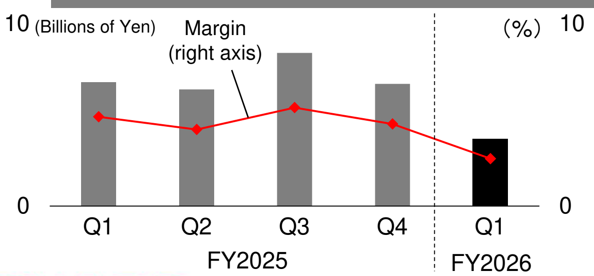


(Inc.) In the white goods business, sales increased in Japan and overseas. Air conditioners in Japan grew significantly, and cooking appliances in the Americas and air conditioners and refrigerators in ASEAN also recorded strong sales.

(Inc.) In the energy solutions business, sales increased. Battery storage systems and space applications grew in Japan, and sales in Asia increased.

(Dec.) In the TV business, sales declined. Although sales grew in Asia, Europe, and the Americas, sales in Japan declined due to intensified competition.

Operating profit



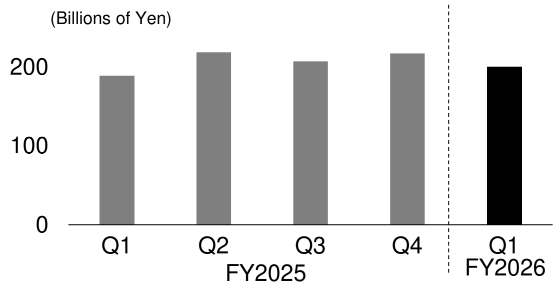
(Dec.) Increase in material prices.

(Dec.) Depreciation of the yen.

Smart Workplace

(Billions of Yen)	FY2025				FY2026	
	Q1	Q2	Q3	Q4	Q1	Y on Y
Sales	**189.3**	**219.1**	**207.5**	**217.7**	**200.8**	+6.1%
Operating Profit	**14.2** (7.5%)	**18.7** (8.6%)	**13.7** (6.6%)	**10.8** (5.0%)	**10.7** (5.3%)	-24.6%

Sales

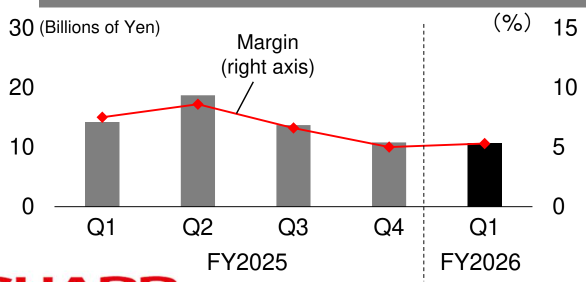


(Inc.) In the PC business, B2B sales, sales for government agencies, and sales for GIGA in Japan saw significant growth due to progress in passing on higher prices as well as front-loaded demand ahead of price increases.

(Inc.) In the business solutions business, office solutions grew across all regions, while MFP sales increased in Japan and overseas.

(Dec.) In the mobile communications business, sales declined due to competitors' aggressive sales activities amid a market slowdown caused by soaring memory prices.

Operating profit



(Inc.) Improvements in model mix.
(Dec.) Increase in memory prices.
(Dec.) Depreciation of the yen.

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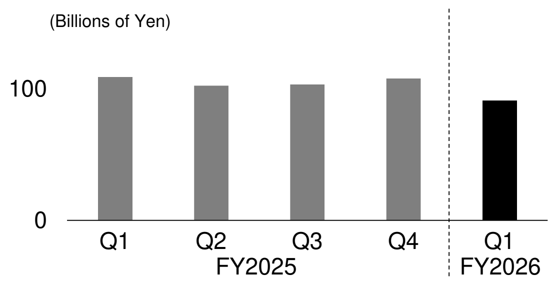
Display Device

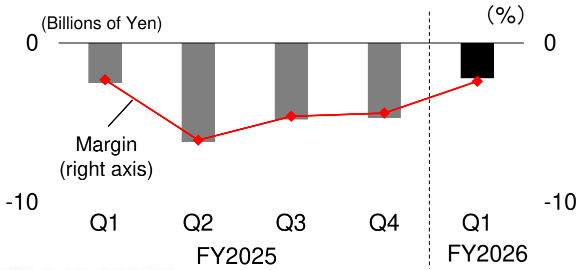
(Billions of Yen)	FY2025				FY2026	
	Q1	Q2	Q3	Q4	Q1	Y on Y
Sales	**109.2**	**102.6**	**103.5**	**108.0**	**91.3**	-16.4%
Operating Profit	**-2.5** (-2.3%)	**-6.2** (-6.1%)	**-4.8** (-4.6%)	**-4.7** (-4.4%)	**-2.1** (-2.4%)	-

Sales



(Dec.) Sales for automotive applications and for PC and tablet panels declined from the same period of the previous fiscal year, when there was rush demand due to U.S. tariffs.

Operating profit



(Inc.) Progress of structural reforms.
(Dec.) Decrease in sales.

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

(Billions of Yen)	FY2025				FY2026	
	Q1	Q2	Q3	Q4	Q1	Difference Y on Y
Operating Profit	**15.3**	**13.6**	**12.0**	**7.5**	**8.2**	-7.1
Non-operating Income (Expenses)	**+3.2**	**+1.3**	**+2.1**	**+2.6**	**-1.6**	-4.8
Interest expenses	-2.0	-2.2	-2.1	-2.2	-2.9	-0.9
Foreign exchange gains (losses)	+1.2	-0.3	+0.5	+1.9	+0.0	-1.2
Investment income (expenses)	-0.2	+0.0	+0.0	+0.0	+0.0	+0.2
Share of profit (loss) of entities accounted for using equity method	+2.1	+1.8	+2.0	+1.8	+2.1	-0.0
Commission for syndicated loans	-	-	-	-	-2.2	-2.2
Ordinary Profit	**18.5**	**14.9**	**14.1**	**10.2**	**6.5**	-12.0
Extraordinary Income (Losses)	**+11.7**	**+5.5**	**+12.5**	**-24.3**	**-1.1**	-12.8
Gain on sale of non-current assets	+11.6	+7.8	+14.3	+2.2	+0.2	-11.4
Gain on sale of business	+0.8	-0.8	+1.9	-0.0	-	-0.8
Loss on sale of shares of subsidiaries and associates	-	-	-	-	-0.8	-0.8
Business restructuring expenses	-	-	-3.0	-16.8	-0.5	-0.5
Impairment losses	-0.5	-2.5	-0.5	-2.5	-	+0.5
Provision for product warranties	-	-	-	-7.0	-	-
Pretax Income	**30.3**	**20.4**	**26.6**	**-14.0**	**5.4**	-24.9
Income Taxes, etc.	**-3.0**	**-2.2**	**-4.6**	**-6.0**	**-2.3**	+0.7
Bottom-line Profit	**27.2**	**18.2**	**22.0**	**-20.0**	**3.1**	-24.1

Consolidated Balance Sheets

・**The equity ratio increased to 20.2%.**

(Billions of Yen)

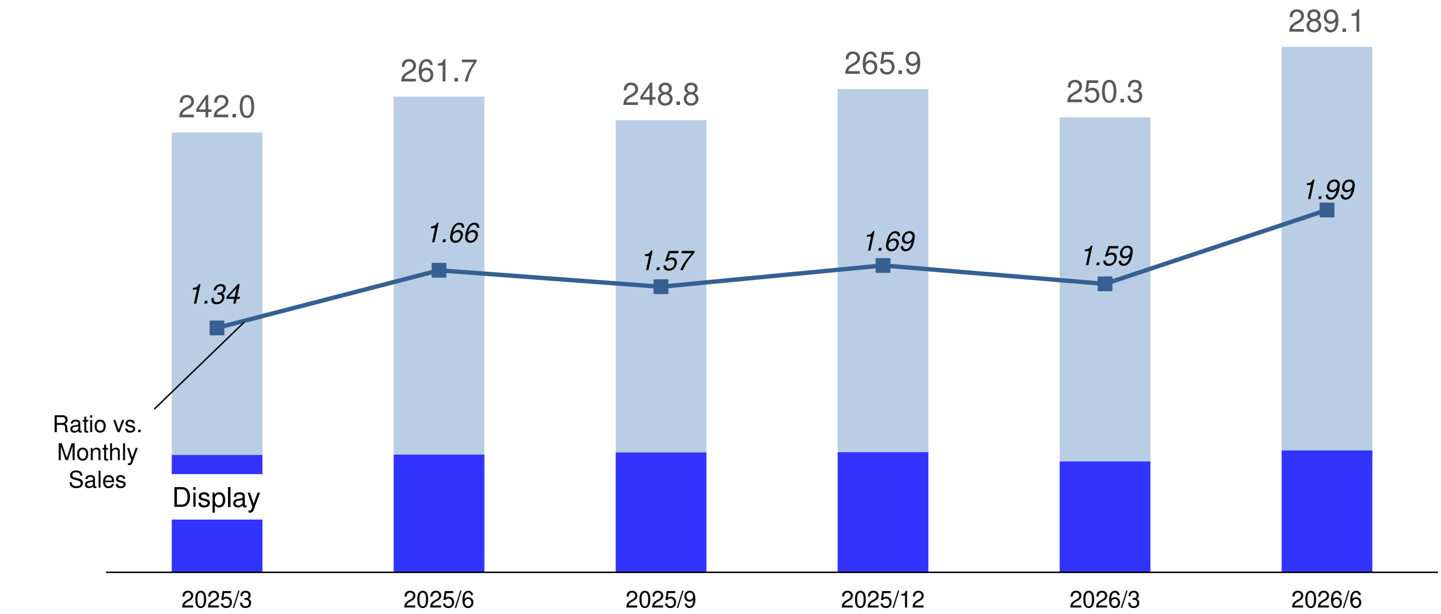
	FY2025		FY2026
	End of Dec.	End of Mar.	End of Jun.
Cash and deposits	241.7	238.4	250.3
Notes and accounts receivable – trade, etc.	380.0	368.8	343.9
Inventories	265.9	250.3	289.1
Other current assets	87.6	91.7	83.8
Current Assets	**975.4**	**949.3**	**967.2**
Property, plant and Equipment	183.4	183.2	183.0
Intangible assets	33.6	38.1	37.4
Investments and other Assets	243.7	257.4	263.9
Non-current Assets	**460.8**	**478.8**	**484.4**
Total Assets	**1,436.2**	**1,428.2**	**1,451.7**
Exchange Rate, End of Period			
USD/JPY	156.54	159.93	162.45
Euro/JPY	184.26	183.44	185.44

	FY2025		FY2026
	End of Dec.	End of Mar.	End of Jun.
Notes and accounts payable – trade, etc.	302.6	273.7	271.5
Short-term borrowings	437.2	432.2	81.6
Current portion of bonds payable	0.0	0.0	0.0
Other current liabilities	308.7	339.4	317.0
Current Liabilities	**1,048.6**	**1,045.3**	**670.2**
Bonds payable	0.0	0.0	0.0
Long-term borrowings	11.7	0.5	386.9
Other non-current liabilities	104.8	87.0	86.3
Non-current Liabilities	**116.6**	**87.5**	**473.2**
Net Assets	**270.9**	**295.2**	**308.2**
Total Liabilities and Net Assets	**1,436.2**	**1,428.2**	**1,451.7**
Equity Ratio	17.8%	19.6%	20.2%
Equity	256.2	279.9	292.6

Inventory Trends

- **Inventory increased compared to the end of March, mainly due to the advance procurement of memory amid soaring prices.**
- **Inventory is at an appropriate level in line with our future sales plans.**

(Billions of Yen, Months)



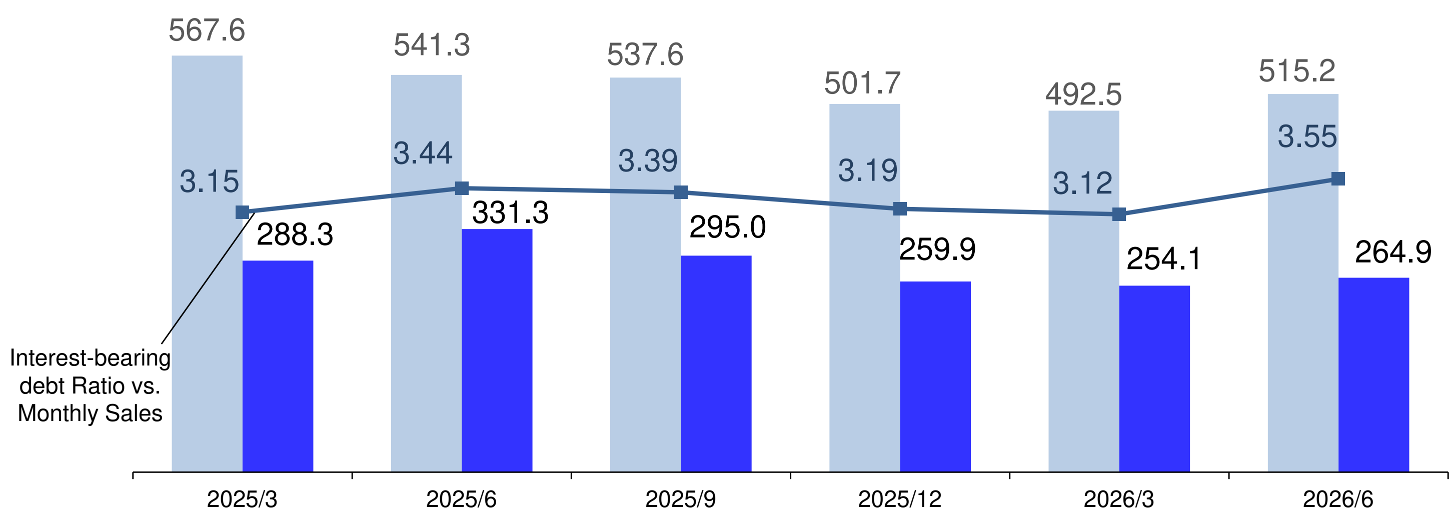
(End of Period)

USD/JPY	149.53	144.82	148.89	156.54	159.93	162.45

Interest-Bearing Debt Trends

(Billions of Yen, Months)

Left bar: Interest-bearing debt
Right bar: Net interest-bearing debt



Net DER	1.9	1.9	1.4	1.0	0.9	0.9

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

Ⅱ. Consolidated Financial Results Forecast for Fiscal 2026

Consolidated Financial Results Forecast for Fiscal 2026

(Billions of Yen)

	FY2025	FY2026			
	Fiscal Year	Fiscal-year Previous Forecast	Fiscal Year Forecast	Y on Y	Revision
Net Sales	1,892.8	1,770.0	1,770.0	-6.5%	0.0
Operating Profit	48.5	49.0	30.0	-38.2%	-19.0
(margin)	(2.6%)	(2.8%)	(1.7%)		
Ordinary Profit	57.9	39.0	22.0	-62.0%	-17.0
(margin)	(3.1%)	(2.2%)	(1.2%)		
Bottom-line Profit	47.4	42.0	25.0	-47.3%	-17.0
(margin)	(2.5%)	(2.4%)	(1.4%)		

Avg. Exchange Rate			
USD/JPY	150.78	156.00	160.00
Euro/JPY	174.79	183.00	183.00

Consolidated Financial Results Forecast by Segment

(Billions of Yen)		FY2025	FY2026			
		Fiscal Year	Fiscal-year Previous Forecast	Fiscal Year Forecast	Y on Y	Revision
Smart Life	Sales	597.9	664.0	630.0	+5.4%	-34.0
	Operating Profit	28.4	41.0	25.0	-12.1%	-16.0
	(margin)	(4.8%)	(6.2%)	(4.0%)		
Smart Workplace	Sales	833.8	779.0	832.0	-0.2%	+53.0
	Operating Profit	57.5	39.0	42.0	-27.1%	+3.0
	(margin)	(6.9%)	(5.0%)	(5.0%)		
Brand Business	Sales	1,431.8	1,443.0	1,462.0	+2.1%	+19.0
	Operating Profit	86.0	80.0	67.0	-22.1%	-13.0
	(margin)	(6.0%)	(5.5%)	(4.6%)		
Display Device	Sales	423.5	323.0	304.0	-28.2%	-19.0
	Operating Profit	-18.2	-6.0	-12.0	-	-6.0
	(margin)	(-4.3%)	(-1.9%)	(-3.9%)		
Subtotal	Sales	1,855.3	1,766.0	1,766.0	-4.8%	-
	Operating Profit	67.7	74.0	55.0	-18.9%	-19.0
	(margin)	(3.7%)	(4.2%)	(3.1%)		
Others	Sales	47.0	-	-	-	-
	Operating Profit	0.6	-	-	-	-
	(margin)	(1.5%)				
Adjustments	Sales	-9.5	4.0	4.0	-	-
	Operating Profit	-19.9	-25.0	-25.0	-	-
Consolidated total	Sales	1,892.8	1,770.0	1,770.0	-6.5%	0.0
	Operating Profit	48.5	49.0	30.0	-38.2%	-19.0
	(margin)	(2.6%)	(2.8%)	(1.7%)		

Ⅲ. Progress of Medium-Term Management Plan

Progress of Medium-Term Management Plan（1/2）

BG/BU	Progress of Key Initiatives
1. Smart Life	➢ Integrated AI service connecting various devices and services will be announced soon. ➢ Domestic B2B sales in Q1 of FY2026 increased by approximately 40% year on year.
2. Smart Workplace	➢ Launched integrated solution proposals utilizing ERP collaborated with Synapse Innovation Inc., which was acquired as a subsidiary in March. ➢ Sharp signed MOU with major global satellite operator SES to build a collaboration in satellite communication services on 30 June.
3. Display Device	➢ Process of ceasing production at Kameyama No. 2 Plant is progressing smoothly. ➢ Domestic organizations related to the Display Device business will be reintegrated into Sharp Corporation on 1 October.

Progress of Medium-Term Management Plan（2/2）

AI Infrastructure

- Advancing the development of the business model and commercial terms to launch the AI server business under the Sharp brand.
  Briefing is planned for September.

- Invested in Noetra, a company advancing the research and development of a domestic multimodal foundation model serving as a development base for AI robots and physical AI.

Strengthened Collaboration with Hon Hai

- Foxconn and Sharp signed MOU for strategic collaboration in new business areas on 24 June.
  ［Main Scope］
  1. AI Infrastructure and solutions　2. Energy and ESG-related applications
  3. Robotics and smart automations systems
  4. Next-Generation communication technologies　5. Smart cities

- A new base will be established in Taiwan in October to further accelerate these efforts.

Ⅳ.　Supplementary Data

Consolidated Financial Results

(Billions of Yen)

	FY2025			FY2026
	First Half	Second Half	Fiscal Year	Fiscal Year Forecast
Net Sales	950.3	942.4	1,892.8	1,770.0
Operating Profit	28.9	19.6	48.5	30.0
(margin)	(3.0%)	(2.1%)	(2.6%)	(1.7%)
Ordinary Profit	33.5	24.3	57.9	22.0
(margin)	(3.5%)	(2.6%)	(3.1%)	(1.2%)
Bottom-line Profit	45.4	1.9	47.4	25.0
(margin)	(4.8%)	(0.2%)	(2.5%)	(1.4%)

Consolidated Quarterly Financial Results

(Billions of Yen)

	FY2025				FY2026
	Q1	Q2	Q3	Q4	Q1
Net Sales	472.4	477.8	467.3	475.1	435.2
Operating Profit	15.3	13.6	12.0	7.5	8.2
(margin)	(3.2%)	(2.9%)	(2.6%)	(1.6%)	(1.9%)
Ordinary Profit	18.5	14.9	14.1	10.2	6.5
(margin)	(3.9%)	(3.1%)	(3.0%)	(2.2%)	(1.5%)
Bottom-line Profit	27.2	18.2	22.0	-20.0	3.1
(margin)	(5.8%)	(3.8%)	(4.7%)	(-4.2%)	(0.7%)

Sales by Segment

(Billions of Yen)

	FY2025			FY2026
	First Half	Second Half	Fiscal Year	Fiscal Year Forecast
Smart Life	291.1	306.8	597.9	630.0
Smart Workplace	408.5	425.2	833.8	832.0
Brand Business	699.6	732.1	1,431.8	1,462.0
Display Device	211.8	211.6	423.5	304.0
Subtotal	911.5	943.7	1,855.3	1,766.0
Others	45.3	1.6	47.0	-
Total	956.8	945.4	1,902.3	-
Adjustments	-6.5	-2.9	-9.5	4.0
Consolidated total	950.3	942.4	1,892.8	1,770.0

*Sales include inter-segment sales and transfers.

Operating Profit by Segment

(Billions of Yen)

	FY2025			FY2026
	First Half	Second Half	Fiscal Year	Fiscal Year Forecast
Smart Life	13.2 (4.6%)	15.1 (4.9%)	28.4 (4.8%)	25.0 (4.0%)
Smart Workplace	32.9 (8.1%)	24.6 (5.8%)	57.5 (6.9%)	42.0 (5.0%)
Brand Business	46.2 (6.6%)	39.7 (5.4%)	86.0 (6.0%)	67.0 (4.6%)
Display Device	-8.7 (-4.1%)	-9.5 (-4.5%)	-18.2 (-4.3%)	-12.0 (-3.9%)
Subtotal	37.5 (4.1%)	30.2 (3.2%)	67.7 (3.7%)	55.0 (3.1%)
Others	1.2 (2.7%)	-0.5 (-31.6%)	0.6 (1.5%)	-
Total	38.7 (4.0%)	29.7 (3.1%)	68.4 (3.6%)	-
Adjustments	-9.7	-10.1	-19.9	-25.0
Consolidated total	28.9 (3.0%)	19.6 (2.1%)	48.5 (2.6%)	30.0 (1.7%)

*Sales include inter-segment sales and transfers.

Quarterly Sales by Segment

(Billions of Yen)

	FY2025				FY2026
	Q1	Q2	Q3	Q4	Q1
Smart Life	140.3	150.7	157.1	149.6	144.0
Smart Workplace	189.3	219.1	207.5	217.7	200.8
Brand Business	329.7	369.9	364.7	367.4	344.9
Display Device	109.2	102.6	103.5	108.0	91.3
Subtotal	439.0	472.5	468.2	475.4	436.2
Others	38.0	7.2	0.8	0.8	-
Total	477.0	479.8	469.1	476.3	436.2
Adjustments	-4.5	-1.9	-1.7	-1.1	-1.0
Consolidated total	472.4	477.8	467.3	475.1	435.2

*Figures within parentheses indicate operating margin.

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Quarterly Operating Profit by Segment

(Billions of Yen)

	FY2025				FY2026
	Q1	Q2	Q3	Q4	Q1
Smart Life	6.8 (4.9%)	6.4 (4.2%)	8.4 (5.4%)	6.7 (4.5%)	3.7 (2.6%)
Smart Workplace	14.2 (7.5%)	18.7 (8.6%)	13.7 (6.6%)	10.8 (5.0%)	10.7 (5.3%)
Brand Business	21.0 (6.4%)	25.1 (6.8%)	22.2 (6.1%)	17.5 (4.8%)	14.4 (4.2%)
Display Device	-2.5 (-2.3%)	-6.2 (-6.1%)	-4.8 (-4.6%)	-4.7 (-4.4%)	-2.1 (-2.4%)
Subtotal	18.5 (4.2%)	18.9 (4.0%)	17.3 (3.7%)	12.8 (2.7%)	12.2 (2.8%)
Others	1.3 (3.5%)	-0.1 (-1.6%)	-0.5 (-58.8%)	-0.0 (-2.6%)	-
Total	19.9 (4.2%)	18.8 (3.9%)	16.8 (3.6%)	12.8 (2.7%)	12.2 (2.8%)
Adjustments	-4.6	-5.1	-4.8	-5.2	-4.0
Consolidated total	15.3 (3.2%)	13.6 (2.9%)	12.0 (2.6%)	7.5 (1.6%)	8.2 (1.9%)

*Figures within parentheses indicate operating margin.

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Capital Investment / Depreciation and Amortization, etc.

(Billions of Yen)

	FY2025 First Half	FY2025 Second Half	FY2025 Fiscal Year	FY2026 Fiscal Year Forecast
Capital Investment	**16.3**	**14.3**	**30.7**	**39.0**
Displays	6.1	4.4	10.6	10.0
Depreciation and Amortization	**15.0**	**14.6**	**29.6**	**35.0**
R&D Expenditures	**34.7**	**34.3**	**69.1**	**75.0**

(Yen)

Avg. Exchange Rate	FY2025 First Half	FY2025 Second Half	FY2025 Fiscal Year	FY2026 Fiscal Year Forecast
US Dollar	146.04	155.51	150.78	160.00
Euro	168.06	181.52	174.79	183.00

Quarterly Capital Investment, Depreciation and Amortization, etc.

(Billions of Yen)

	FY2025 Q1	FY2025 Q2	FY2025 Q3	FY2025 Q4	FY2026 Q1
Capital Investment	**5.1**	**11.1**	**6.6**	**7.7**	**4.8**
Displays	1.2	4.9	2.1	2.3	0.8
Depreciation and Amortization	**7.5**	**7.4**	**7.2**	**7.4**	**7.4**
R&D Expenditures	**17.0**	**17.7**	**16.6**	**17.7**	**16.2**

(Yen)

Avg. Exchange Rate	FY2025 Q1	FY2025 Q2	FY2025 Q3	FY2025 Q4	FY2026 Q1
US Dollar	144.60	147.48	154.15	156.87	159.49
Euro	163.81	172.31	179.39	183.65	185.38

*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.
*Bottom-line profit: Profit attributable to owners of parent
*Segment Name Abbreviations etc.:
Smart Life: SL Smart Workplace: SW Display Device: DD
Others : SDP, camera module business, and semiconductor business

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