

Sharp Revised FY2023 Earnings Forecasts Downward— Downward Pressure on Rating Strengthens

The following is Japan Credit Rating Agency, Ltd. (JCR)'s opinion on Sharp Corporation (security code: 6753)'s revised earnings forecast for the fiscal year ending March 31, 2024.

- (1) On February 6, 2024, Sharp Corporation (the "Company") revised downward its earnings forecast for the fiscal year ending March 31, 2024 (FY2023). It lowered its operating profit to 0 billion yen (previous forecast was a profit of 40 billion yen) and its bottom-line profit to 10 billion yen in the red (previous forecast was a profit of 10 billion yen in the black). The main reason for the downward revision is the deterioration of market conditions for small- and medium-sized LCD panels, the Company's core business, and the background is sluggish demand for PCs, tablets, and smartphones.
- (2) The Company's financial base, which was damaged in FY2022, is now more difficult to restore, and this is putting more downward pressure on the rating. Sakai Display Products Corporation, a subsidiary engaged in the production of large-sized LCD panels, which are subject to market volatility, also continues to put downward pressure on the profits. JCR will confirm the measures to improve the performance of small- and medium-sized and large-sized LCD panels, whether or not any expenses will be recorded in connection with these measures, and the future direction of the Company's performance and finances, and will reflect the results in the rating.

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<Reference>

Issuer: Sharp Corporation

Long-term Issuer Rating: BB Outlook: Negative

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