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- **Revision of Financial Results Forecast**
- **Sharp Business Strategy**

Sharp Corporation
April 8, 2009

I. Revision of Financial Results Forecast for Fiscal 2008

II. Actions

- (1) **Business Environment and our Challenges**
- (2) **Recovery Plan**
- (3) **New Business Model**
- (4) **Action Plan for Key Business**
 - **Mobile Phone**
 - **Health- and Environment-related Business**
 - **Solar Cells**
 - **LCDs (New LCD Plant start operations in Oct 2009)**

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I. Revision of Financial Results Forecast for Fiscal 2008

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Revision of Financial Results Forecast for Fiscal 2008 (Consolidated)

(billions of yen)

	Previous Forecast		Current Forecast		
	(09/2/6)	Y on Y		Y on Y	Difference from last forecast
Net Sales	2,900	-15.1%	2,850	-16.6%	-50
Operating Income	-30	-	-60	-	-30
Net Income	-100	-	-130	-	-30

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Main Variance Factors From Previous Forecasts

- Expenses for optimizing the inventory level of LCD TVs and LCD panels

- Approx. 30 billion yen

<Sharp LCD TV retailers' inventory (comparison to monthly sales)>
(Source: Sharp)

US: 3.3months (September, 2008) → 0.7months (Feb.2009)

Japan: 2.1months (September, 2008) → 0.8months (Mar.2009)

- Additional posting of Business Restructuring Charges and Loss on Sales and Retirement of Noncurrent Assets

- Additional 9 billion yen (approx.) posted for business restructuring mainly related to LCD business

- Disposal of old facilities for electronic components and devices business:

Additional 4 billion yen (approx.) posted for loss on sales and retirement of noncurrent assets

- Increase of Loss on Impairment of Investments in Securities

- Approx. 6.4 billion yen additional loss due to drop in stock market

Actions to
recover
revenue in
Fiscal 2009

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Forecast of Extraordinary Items in Other Expenses for Fiscal 2008

(billions of yen)

	Previous Forecast (09/2/6)	Current Forecast	Difference
Loss on impairment of investments in securities	43.3	49.7	+6.4
Loss on Valuation of Inventory	7.6	7.6	0
Restructuring Charges	50	59	+9
Loss on violation of the antitrust law	12	12	0
Others	5.8	15.4	+9.6

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II. Actions

(1) Business Environment and our Challenges

<Business Environment>

- Decrease in demand due to rapid drop of economy
- Aggravated trade conditions due to stronger yen etc.
- Price decline in digital products
- Division of world economy into blocks
- Deteriorated solar market in Europe due to financial crisis

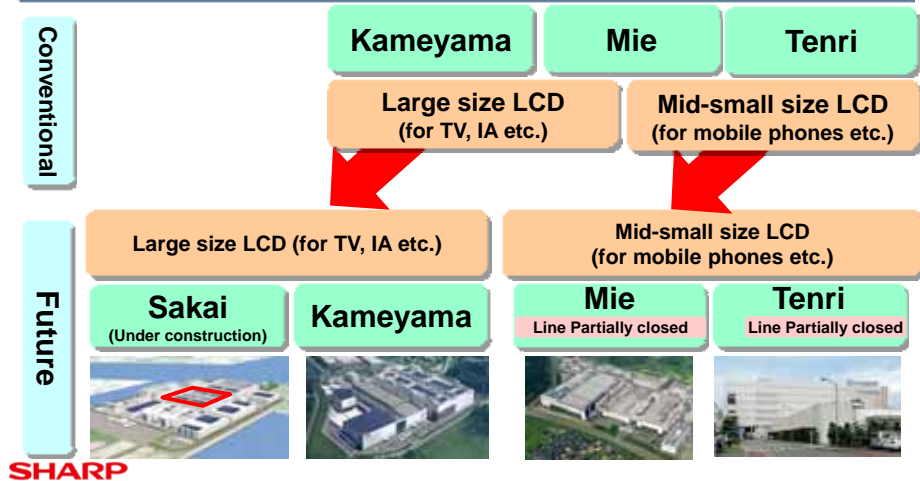
<Our Challenges>

- Slowdown of investment-driven business models, such as LCD
- Reduced competitiveness at old LCD production lines
- Price decline and sluggish growth in vertically integrated products such as LCD TV and mobile phone
- Aggravated cash flow

(2) Recovery Plans

Building Structure to Secure Profit
even under the circumstances of LH of FY 2008

Reorganizing LCD Plants



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Personnel Reallocation

**“Strengthen Sales Activities to
Expand Sharp’s Scope of Business”**

Japan : Strengthen key business areas / sales divisions

- Reallocate approx. 1,700 personnel to key business areas / sales divisions
- Expand B to B solution business
- Reduce approx. 1,500 contract employees in Japan (due to expiration of the contract)

Global : Strengthen sales force in emerging economies

- China
 - Strengthen mobile phone business
 - Establish marketing research office

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Reduction of remuneration to directors and salary of managers

- **Reduction of Remuneration to Directors**
 - <Remuneration per month> (Mar. to Sep. 2009)
 - Directors and Executive Officers: 30-5% reduction
 - Corporate Auditors: 5% voluntary reduction
 - <Bonuses>
 - No payment of bonuses in June 2009
- **Managerial staff: 20-10% reduction in annual salary**

50-30%
reduction in
actual annual
remuneration

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Total Cost Reduction

Reduce Total Cost by 200 Billion Yen compared to FY2008 cost *

- **Reduce fixed cost by 100 billion yen**
 - Labor Cost : reduce approx. 45 billion yen
 - Depreciation : reduce approx. 35 billion yen
- **Reduce variable cost by 100 billion yen**
 - Advertisement expenses
 - Utilities
 - Transportation expenses
 - Other outsourcing costs / patent costs / entertainment cost etc.

*the cost for start of LCD panel plant operation in Sakai city is not included

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(3) New Business Model

Concept of New Business Model



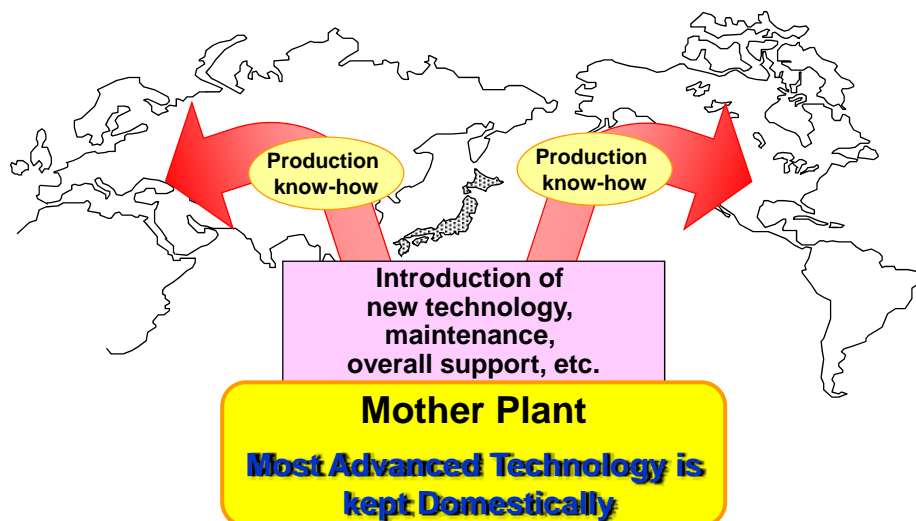
Minimize Investment to Maximize Efficiency

Improve Cash Flow

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Basic Plan for Engineering Business

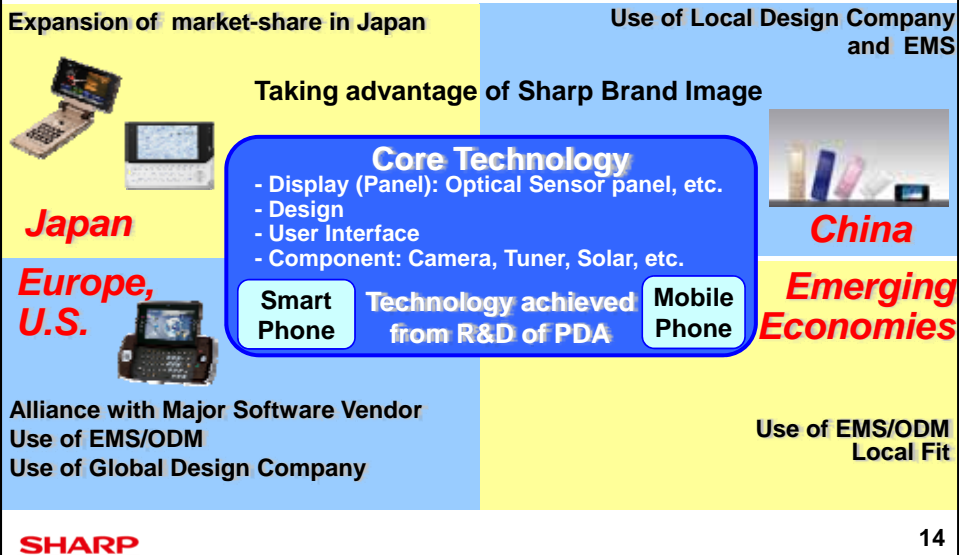


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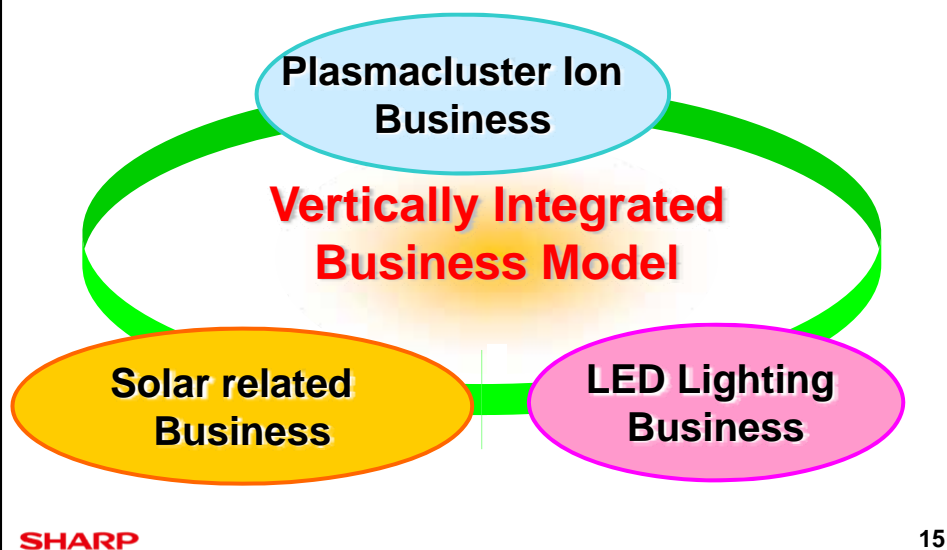
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(4) Action Plan for Key Business : Mobile Phone

Global Market Business

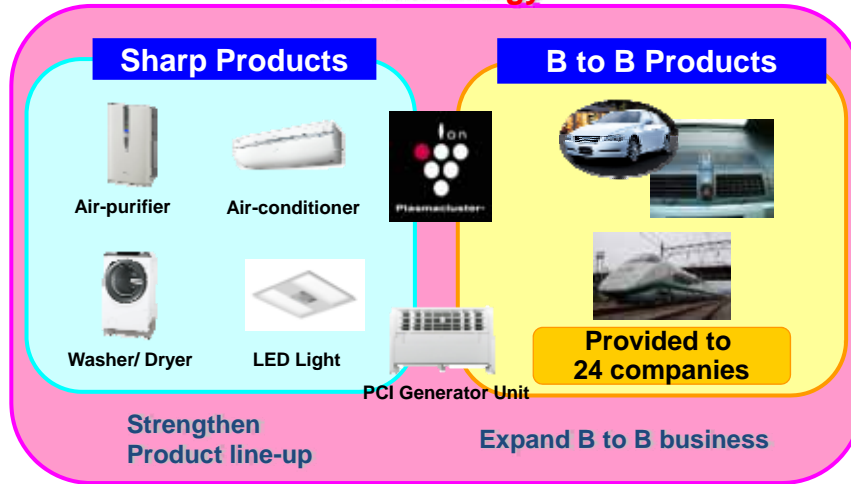


Action Plan for Key Business: Health- and Environment-related Business



Plasmacluster Ion Business

Value added air-conditioning business with Plasmacluster Ion Technology



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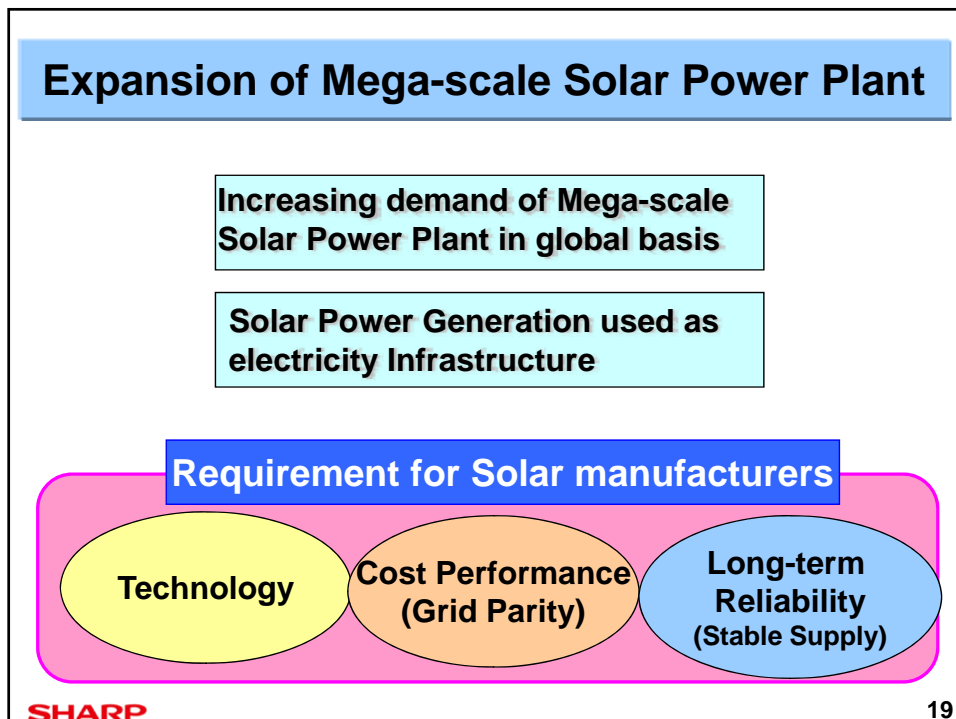
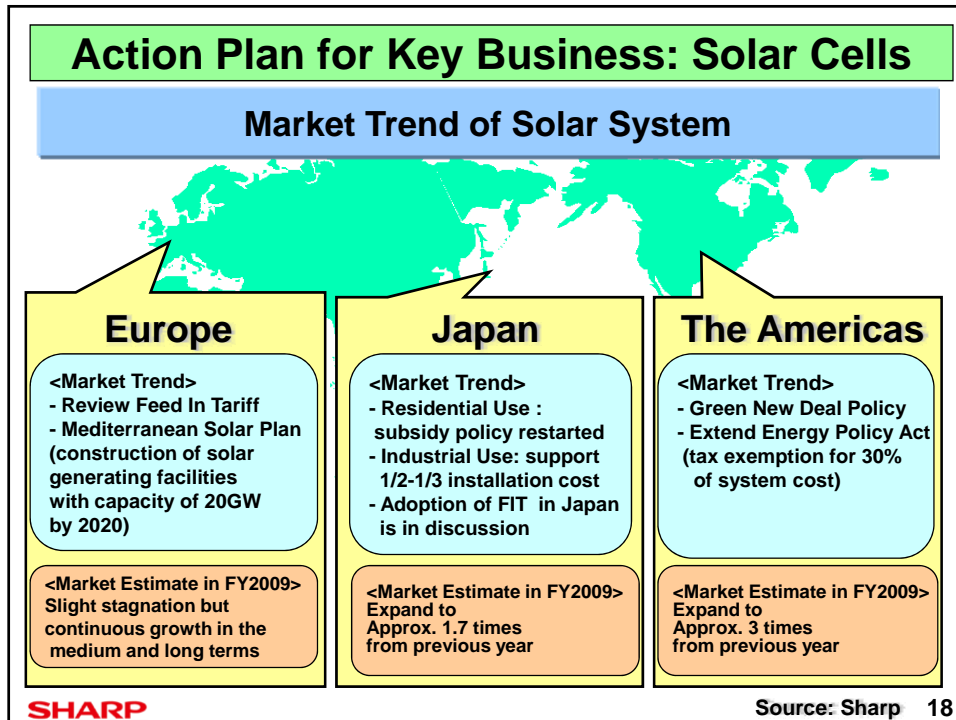
LED Lighting Business



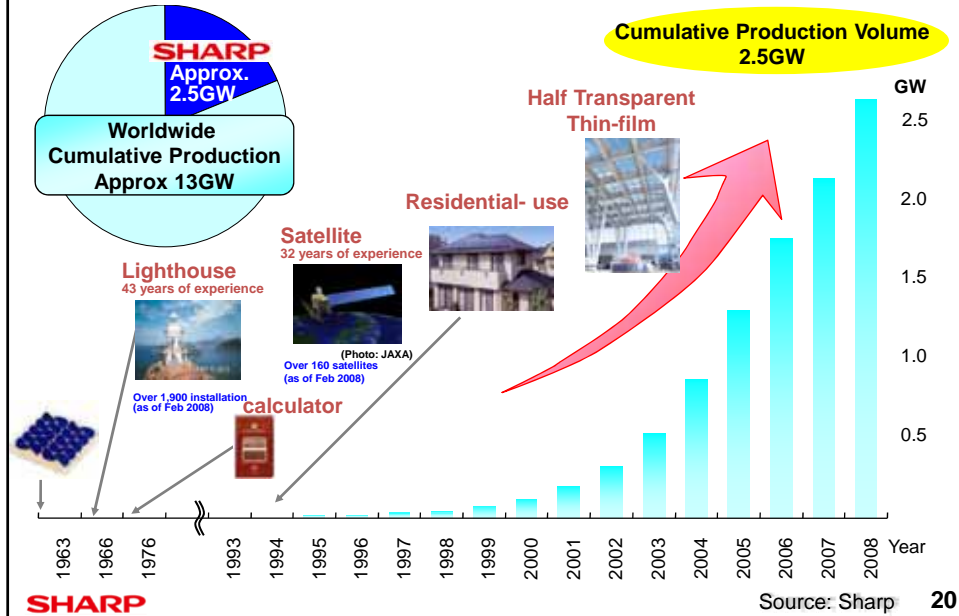
Sharp to enter into LED Lighting Business

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History of Sharp's Solar Business



Exploit Two Major Technologies Crystalline / Thin-Film

Expand Crystalline Cell Business supported by strategic procurement of silicon material and innovative production process



Crystalline

Target Cost : 23yen/kWh
achieved by higher conversion efficiency (20%)

Expand Thin-Film Business by further technology advancement



Thin-Film

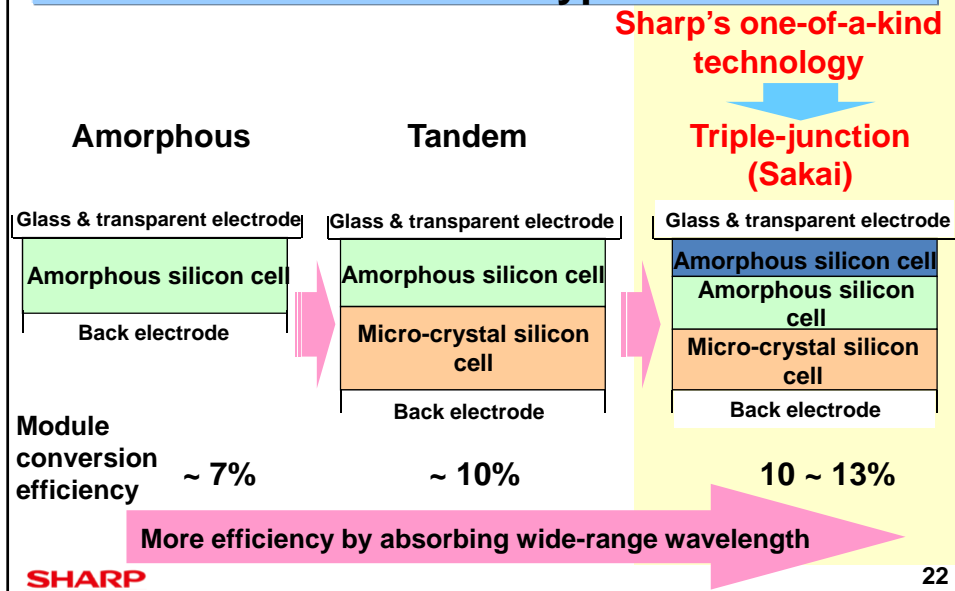
Target Cost: 23yen/kWh
Achieved by higher conversion efficiency (10%) and economy of scale

Aim to Achieve Grid Parity

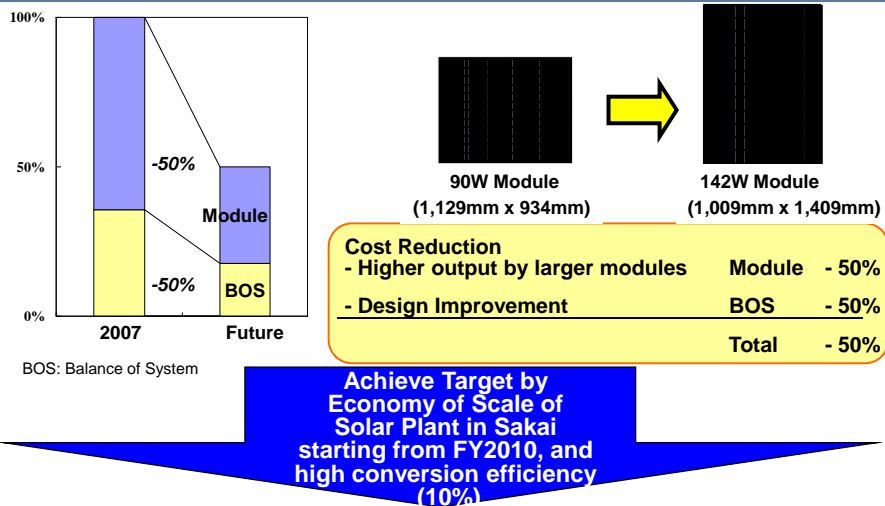
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Conversion Efficiency Improvement of Thin-Film type



Cost Reduction of Thin-Film PV Systems



Targeting Power Generation Cost of 23yen/kWh in Thin-Film Type

Action Plan for Key Business: LCDs

Start Operations of LCD panel plant (Sakai) in October 2009



- Start Operations of LCD panel Plant in October 2009
- World's First 10th Generation mother glass substrate
- Integrate Know-How of companies ranging from infrastructure facilities to components manufacturers

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<Forward-Looking Statements>

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- (2) Sudden, rapid fluctuations in demand for Sharp's products and services, as well as intense price competition
- (3) Changes in exchange rates (particularly between the yen and the U.S. dollar, the euro and other currencies)
- (4) Sharp's ability to respond to rapid technological changes and changing consumer preferences with timely and cost-effective introductions of new products and services
- (5) Regulations such as trade restrictions in other countries
- (6) Litigation and other legal proceedings against Sharp

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