

SHARP

The background features several thick, flowing curved lines in shades of red and maroon, creating a dynamic, abstract design that frames the central text.

Sharp Business Strategy for Fiscal Year 2010

Sharp Corporation

May 17, 2010

I . Sharp's achievements in fiscal year 2009

II . Action to realize mid-term vision

(1) Sharp's business targets

(2) Sharp's key businesses

- Large-size LCD, LCD TV**
- Medium / small-size LCD,
Mobile phone / Smartphone**
- Health and environment, Solar cell**

I . Sharp's achievements in fiscal year 2009

Sharp's achievements in fiscal year 2009

Reducing the costs and reforming corporate structure

Recovery plan

Reduce total costs by 200 billion yen compared to FY2008



Achieved the target of total cost reduction

Reduced total costs by 213.8 billion yen
Reduced variable costs by 116.6 billion yen
Reduced fixed costs by 97.2 billion yen

New business model

- Establishing value-chain at the area of consumption
- Alliances with local companies



LCD

Signed an agreement for LCD panel production project in China (August 2009)

Solar cell

Signed an agreement for the production of thin-film solar cells and photovoltaic power generation business (January 2010)

Sharp's achievements in fiscal year 2009

Achievements in Sharp's key businesses

Action plan

LCD

- start operation of LCD plant in Sakai

Solar cell

- strengthen both crystalline and thin-film

Mobile phone

- Increase market share in Japan
- Expand global business

Health and environment

- Vertically integrated business model for Plasmacluster Ion, LED lighting and products incorporating solar cells



Achievements

LCD

- Started operation of LCD plant in Sakai (36K/month, operating since Oct. 2009)
- Development of UV²A technology and Four primary color technology

Solar cell

- Started operation of thin-film solar cell plant in Sakai (operating since March 2010)

Mobile phone

- Increased market share in Japan by commercializing new products incorporating high resolution CCD camera and solar panel
- Expanded product line-up for the Chinese market

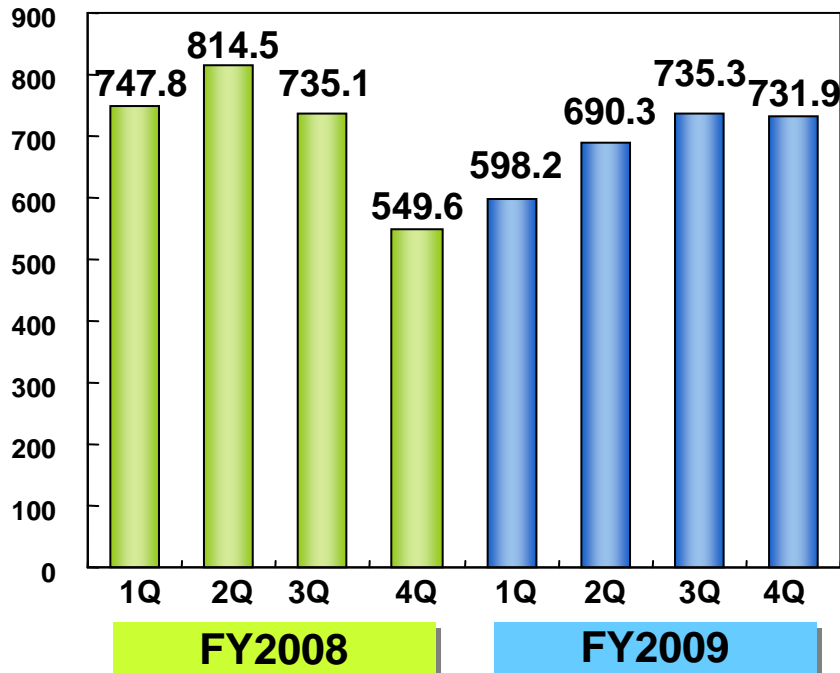
Health and environment

- Sales of products incorporating Plasmacluster Ion technology made a significant contribution to profits
- Expanded the product line-up of LED lighting

Financial results and forecast

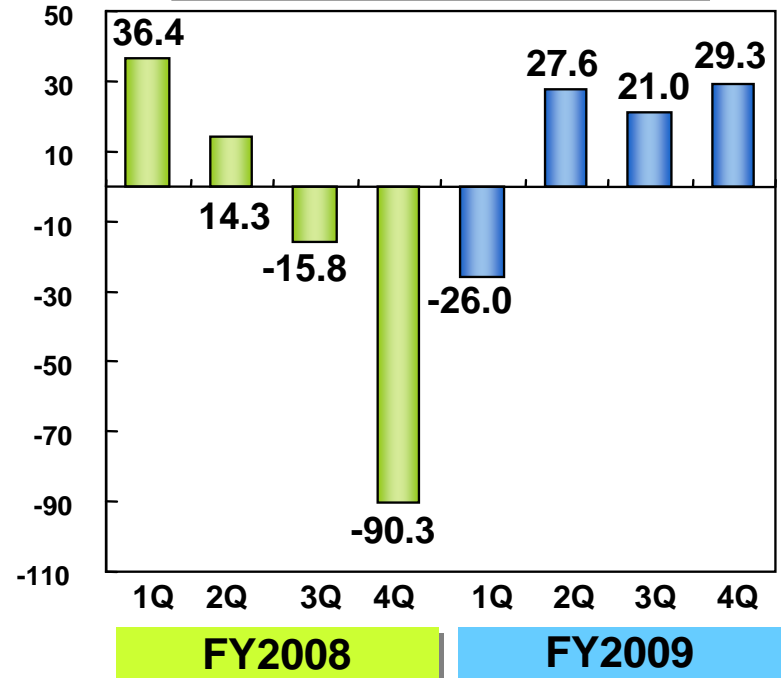
Net sales

(Billions of yen)



Operating income

(Billions of yen)



(Billions of yen)

	FY2009		FY2010	
		Change (Y on Y)	Forecast	Change (Y on Y)
Net sales	2,755.9	-3.2%	3,100.0	+12.5%
Operating income	51.9	-	120.0	+131.2%
Net income	4.3	-	50.0	+1,037.1%

II . Action to realize mid-term vision

Ⅱ . Action to realize mid-term vision

(1) Sharp's business targets

Structural change in global economy and Sharp's business targets

Transition to low-carbon society

Global decision-making shift from G7 to G20

20th century

**Fossil energy
(Coal/Petroleum, etc.)**

**Developed countries
led by G7**

21st century

**Renewable energy
(Solar Energy, etc.)**

**Emerging countries
including G20**

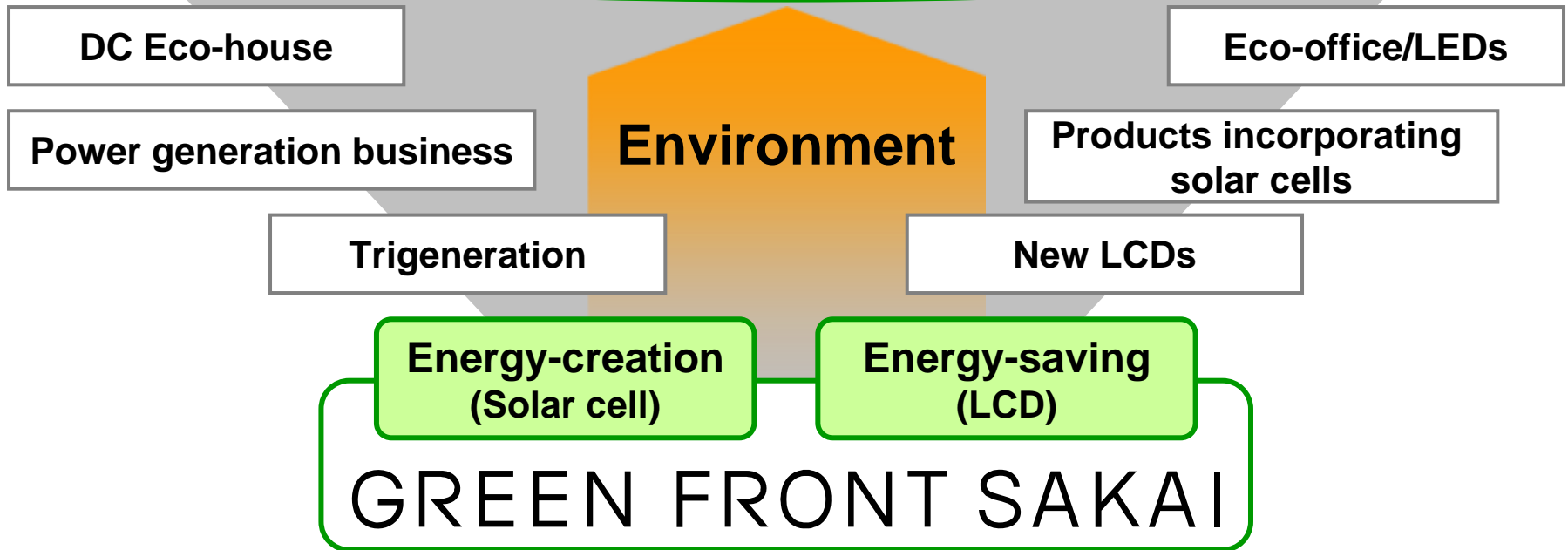
“What is desired”

- Technology for energy-creation and energy-saving to realize both economic growth and CO₂ reduction
- Lower cost to compete in emerging countries

Becoming an Eco-Positive Company

Sharp aims to realize a low-carbon society with its environmentally-conscious factories, as well as energy-creating and energy-saving technologies

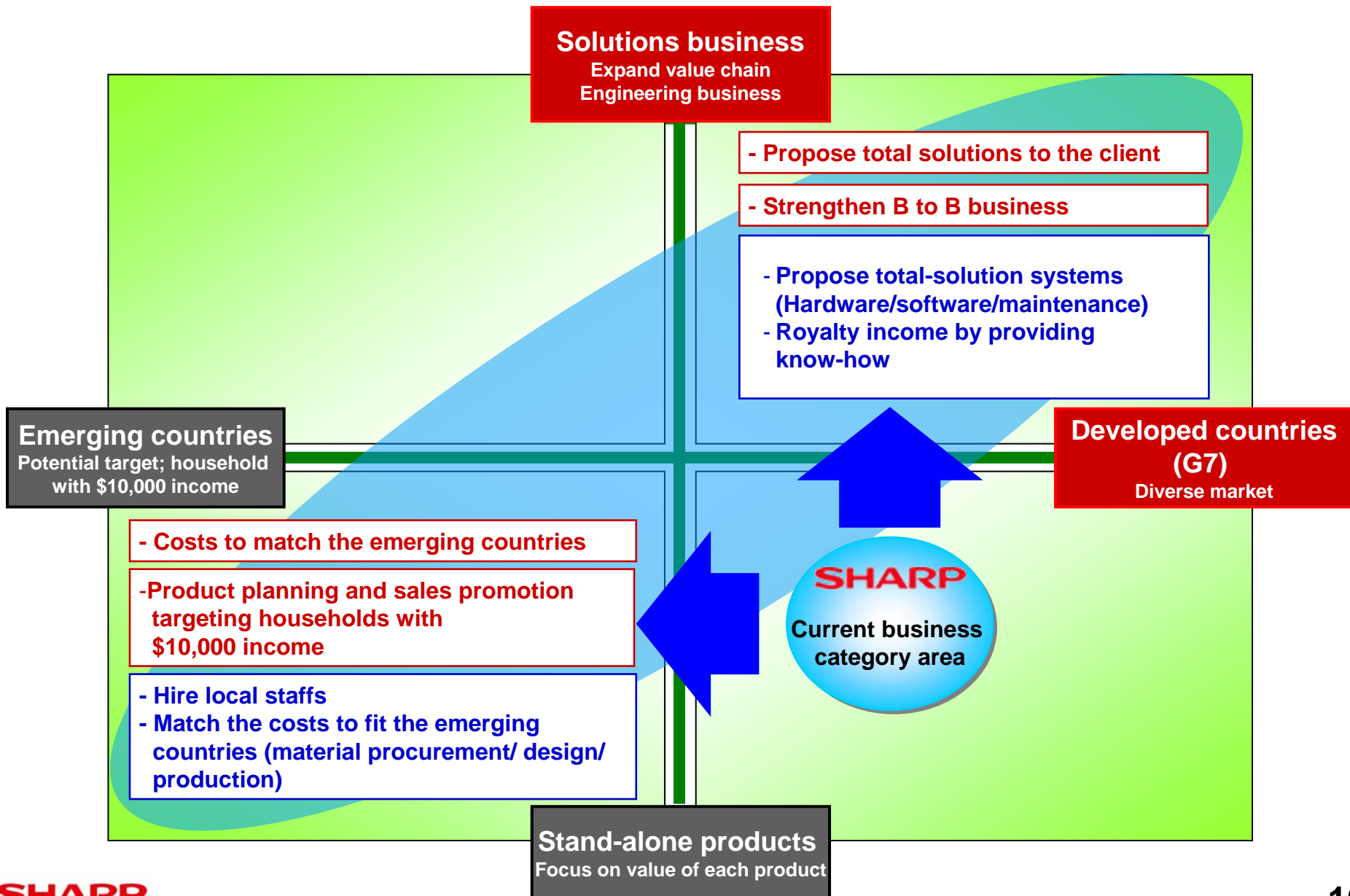
Create a green society



**Balance “environmental contribution” and
“creation of electronics products for realizing a new society”**

“Eco-Positive” does not mean that a company has no negative impact on the environment. Rather, “Eco-Positive Company” is a phrase Sharp uses to indicate the ideal state of a company in terms of environmentalism; it is the state Sharp aims to achieve.

Sharp's mid-term business targets



Change in corporate structure (April 1, 2010)

FY2009

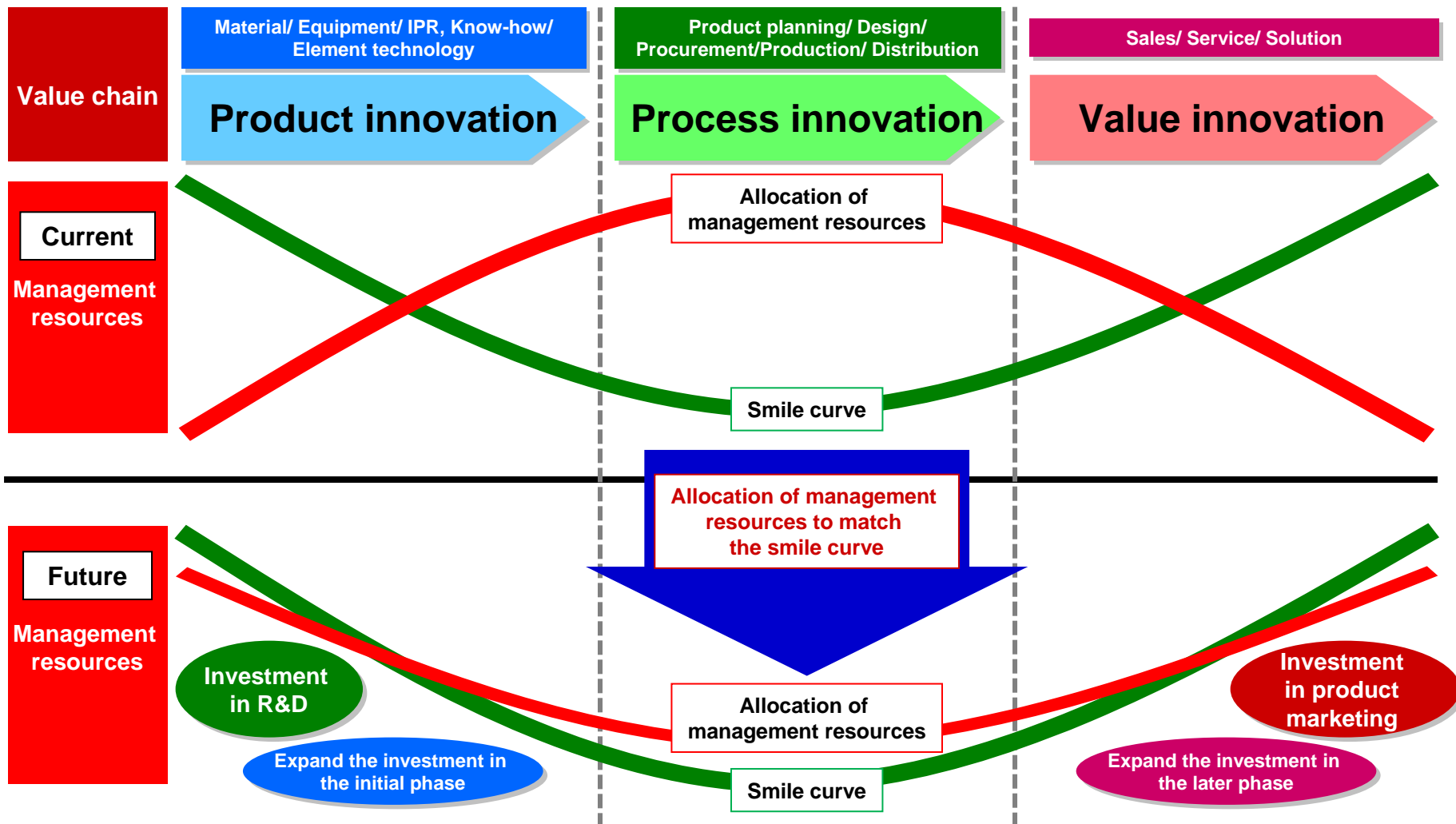


FY2010



Optimum allocation of management resources

Allocation of management resources to match the smile curve



Sharp's corporate visions

Contribute to the world with environment and health conscious business, focusing on energy-saving and energy-creating products

Contribute to ubiquitous society with one-of-a-kind liquid crystal display

Ⅱ . Action to realize mid-term vision

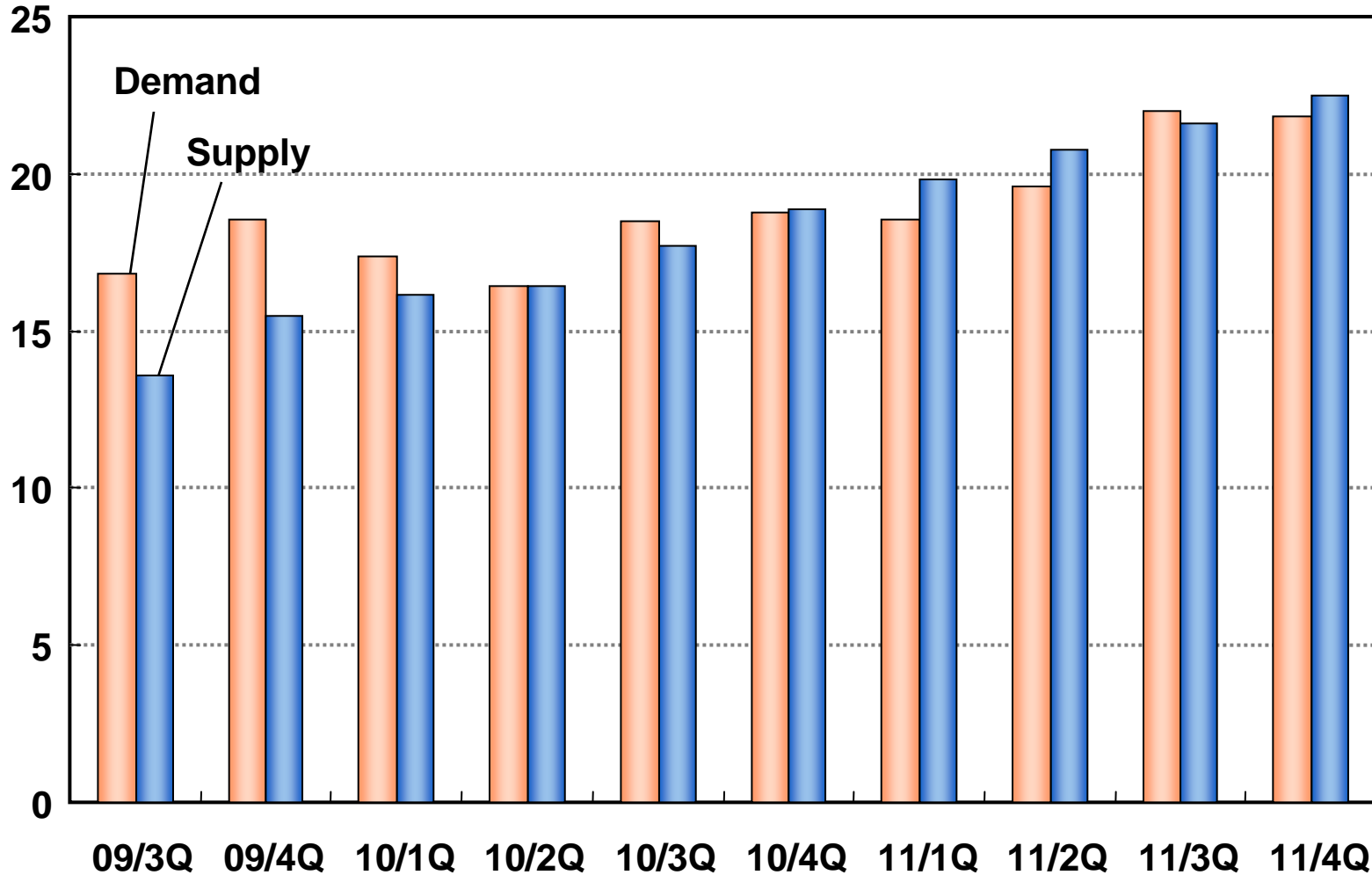
(2) Sharp's key businesses

Large-size LCD, LCD TV

Supply / Demand balance of LCDs for TVs

(Millions of m²)

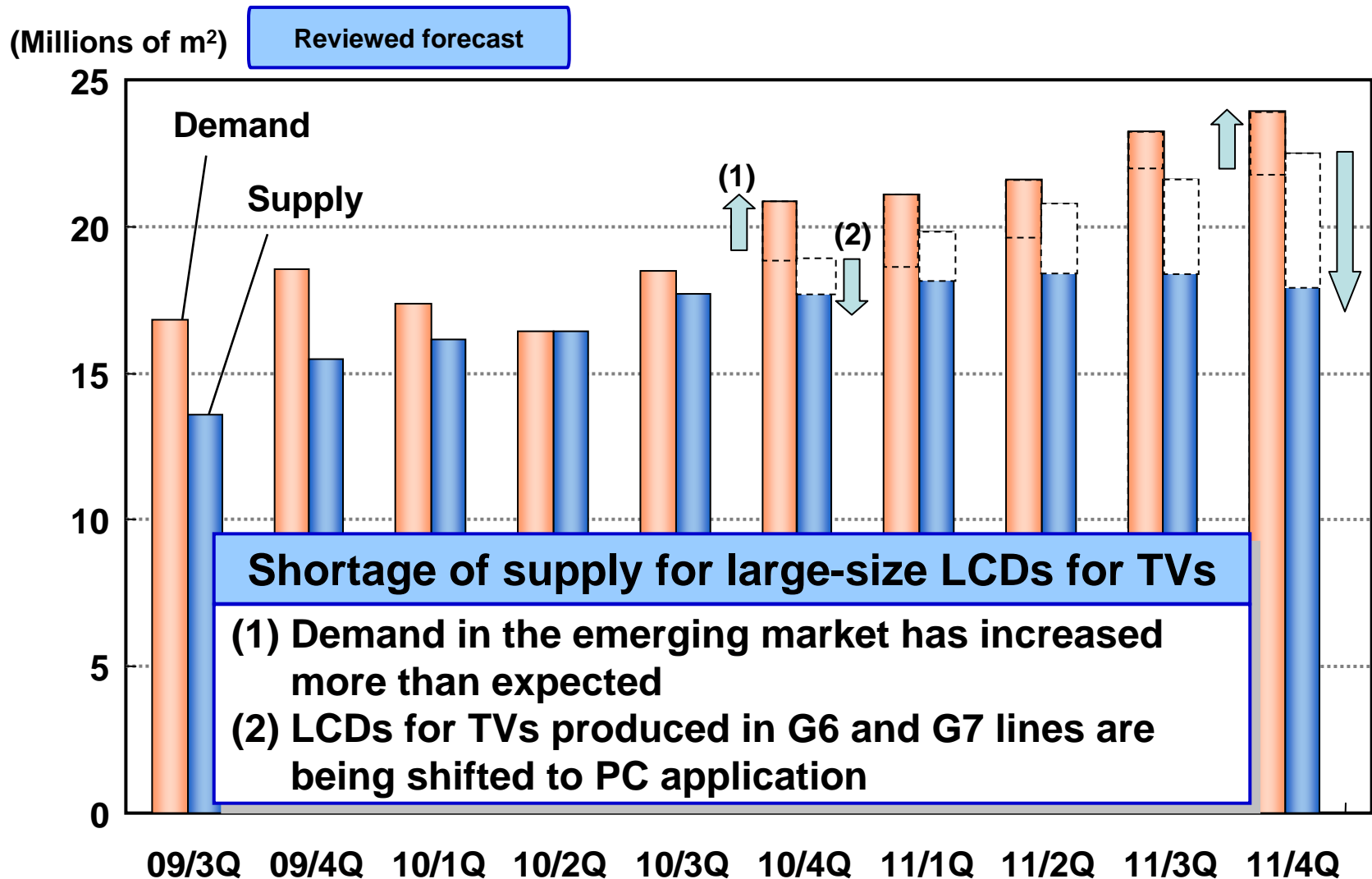
Initial forecast



*09/3Q-10/1Q: Results
10/2Q-: Forecast

(Source: Sharp)

Supply / Demand balance of LCDs for TVs



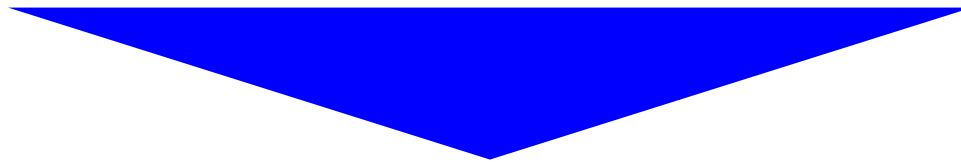
*09/3Q-10/1Q: Results
10/2Q-: Forecast

(Source: Sharp)

Expanding demand for TVs incorporating new technologies

**Increase in sales
of LCD TVs
with LED backlight**

**Increase in
demand for 3D TVs**

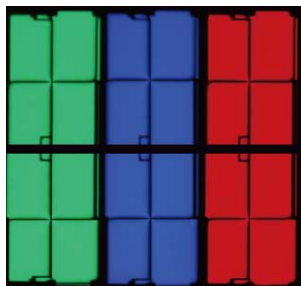


**Increase in demand for
high-spec LCD panels**

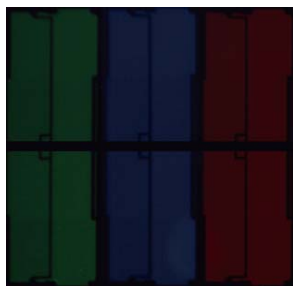
Display technology innovation: Quattron

UV²A technology

- World's first application of photo-alignment technology



Bright panel without rib and slot



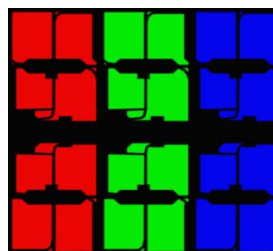
Deep black with minimized light leakage

- High aperture ratio (high brightness)
- High contrast (deep black)
- Fast response (optimal for 3D)
- Improved production efficiency (simplified structure)

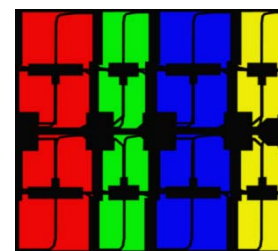
Four primary color technology

- Technology to expand 3 primary color signal to 4 colors
- Innovation achieved by LCD panel and image processing technology

Conventional technology
(3 primary color: RGB)



Four primary color technology
(4 primary color: RGBY)

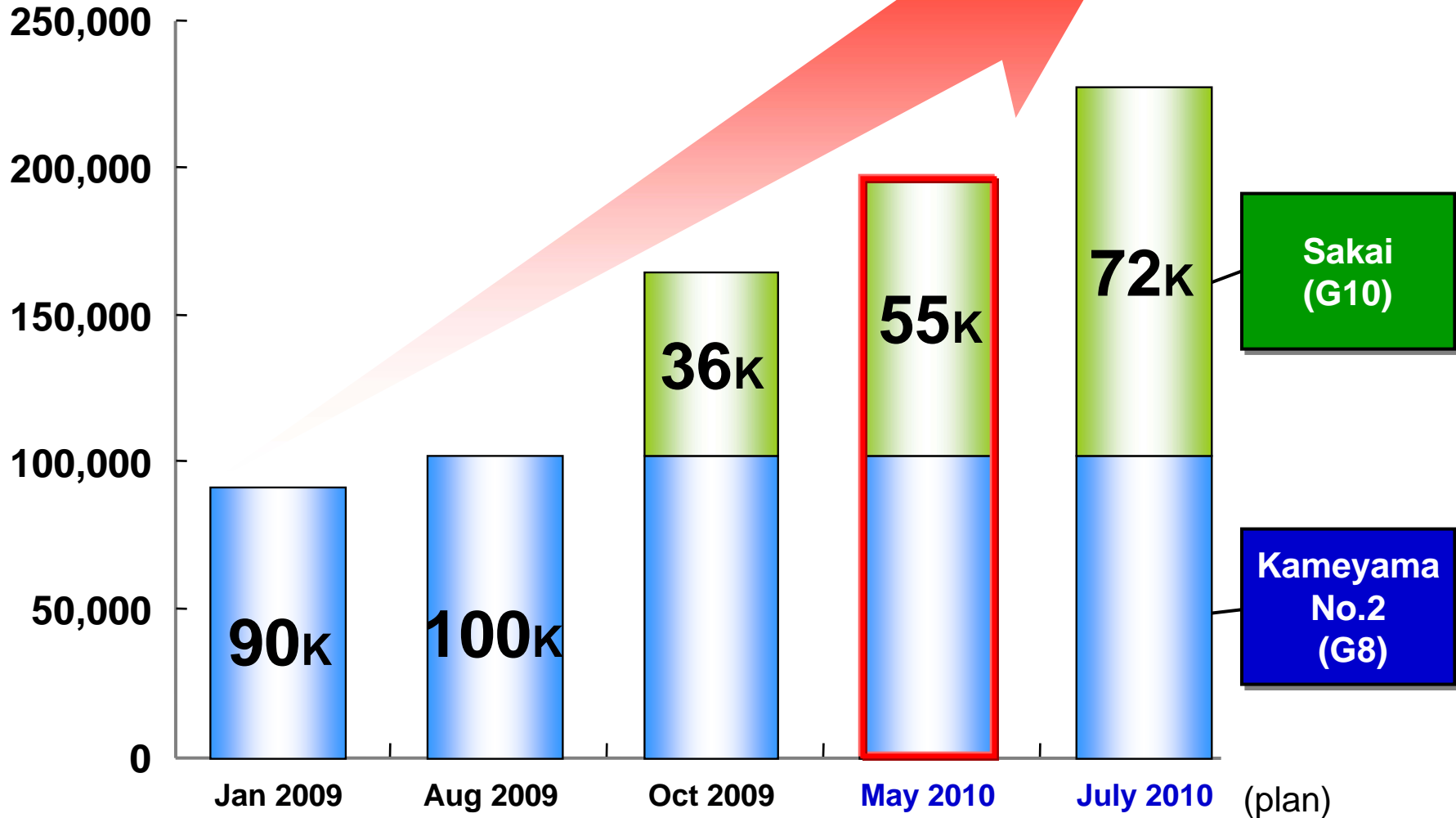


- High light transmission efficiency (high brightness)
- Color reproducibility (improved over 10% compared to conventional panel)

High-spec panel achieving both low power consumption and high image quality

Production capacity of large-size LCDs for TV

(Monthly production:
equivalent to G8 panels)



AQUOS Quattron series to be launched in global market



U.S.
(April 2010)



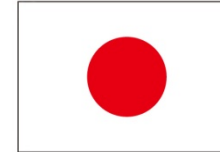
TV advertisement



Europe
(April 2010)



**AQUOS
Quattron series**



Japan
(Summer 2010)

**Marketing promotion
including TV advertisement**

Emerging markets

Expand step by step

Launch in global market within 2010

AQUOS in the global market (China)

Stores selling AQUOS

March 2010: 5,200 stores

Expanded

Dec. 2010: 10,000 stores (plan)

AQUOS Line-up

March 2010: 24 models

Expanded

Oct. 2010: over 30 models (plan)



AQUOS in the global market (U.S.)

AQUOS Line-up (SKU)

		Company A		Company B	
		2009	2010	2009	2010
LE920 series (Quattron)	68-inch		X		X
	60-inch		X		X
	52-inch		X		X
LE820 series (Quattron)	60-inch		X		
	52-inch		X		
	46-inch		X		
	40-inch		X		
LE810 series (Quattron)	60-inch		X		X
	52-inch		X		X
	46-inch		X		X
	40-inch		X		X
LE700 series	52-inch	X		X	
	46-inch	X		X	
	40-inch	X			
	32-inch	X			

Number of LED models 4 → 11 2 → 7

Display at the retailer

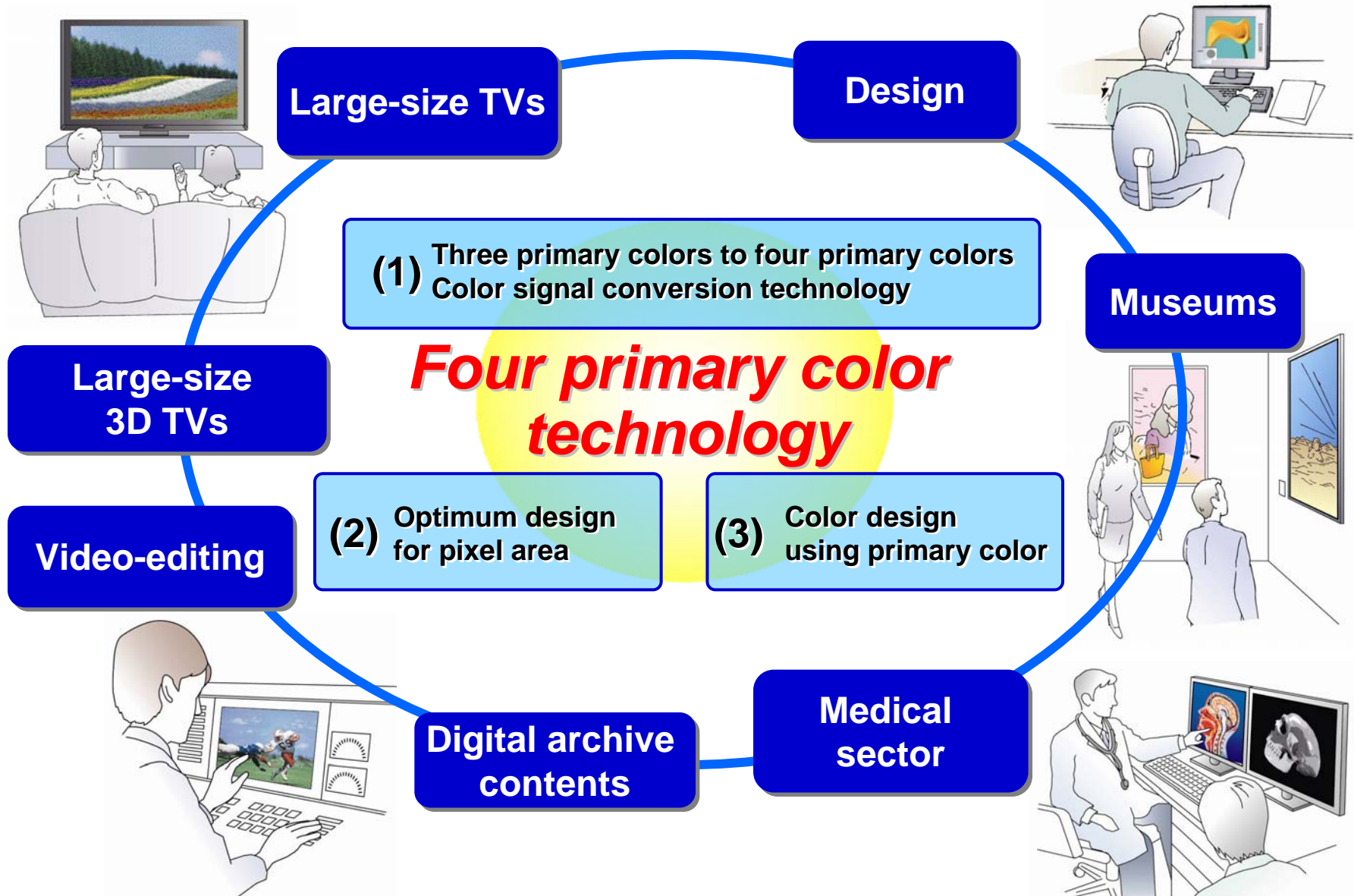


Corner display



Window display

Expanding product line-up of displays incorporating Quattron panel

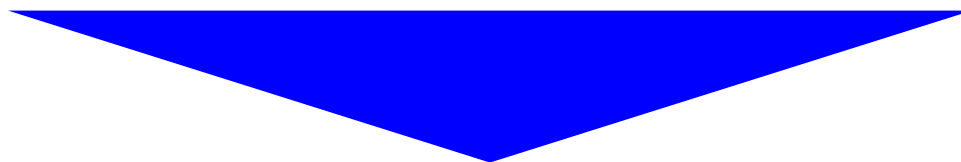


**Medium / small-size LCD,
Mobile phone / Smartphone**

Market trend of medium / small-size LCD

**New markets
including smartphone
and e-book**

**Demand for portable
game handset
hit bottom in 2009**



**Increasing demand for
high picture quality / touch-screen / 3D LCD**

New application for medium / small-size LCD

Smartphone

In 2013, smartphones will take approx. 20% of total mobile phone market

Increasing demand for high-spec LCDs

Utilize CG Silicon LCD

Sharp's smartphone business

Collaboration with Microsoft

**Launch of KIN smartphone
in the U.S. and Europe**

**Smartphone designed for smooth interaction for
social networking using cloud computing**

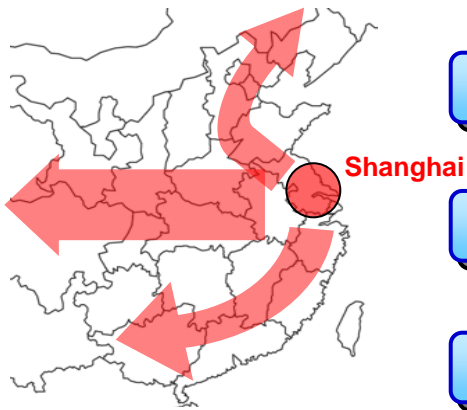


**Smartphone incorporating
Sharp's unique technologies
to be launched in the global market**

Mobile phone business

Mobile phone business in China

Expanding the number of stores and sales routes



Number of stores

June 2008: approx. 300 stores

September 2009: approx. 3,500 stores

In 2010: approx. 10,000 stores (plan)

Sales routes

Exclusive stores

Exclusive stores / Volume retailers

Exclusive stores / Volume retailers /
Mobile operator stores (plan)

Expanding product line-up

3 models in 2008



**Plan to expand the line-up
to a total of 35 models
within 2010**

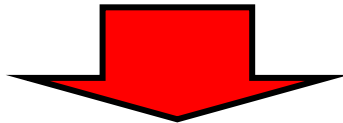
Development of new mobile devices



High-definition 3D camera module
for mobile devices



3D touch-screen LCD - switchable
between 2D and 3D mode



Smartphone
Mobile phone
Digital camera

3D LCD TV

3D photos
3D videos



3D broadcasting
3D game
3D blu-ray

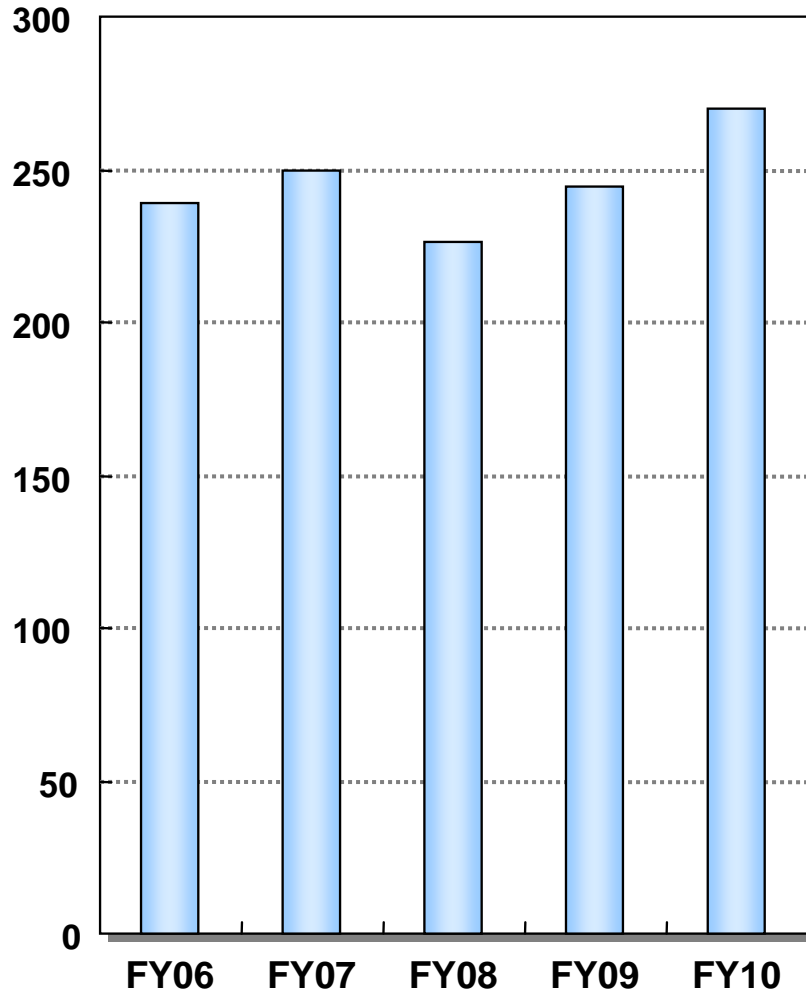
3D contents

Health and environment, Solar cell

Sales and profits of health and environmental equipment

Net sales

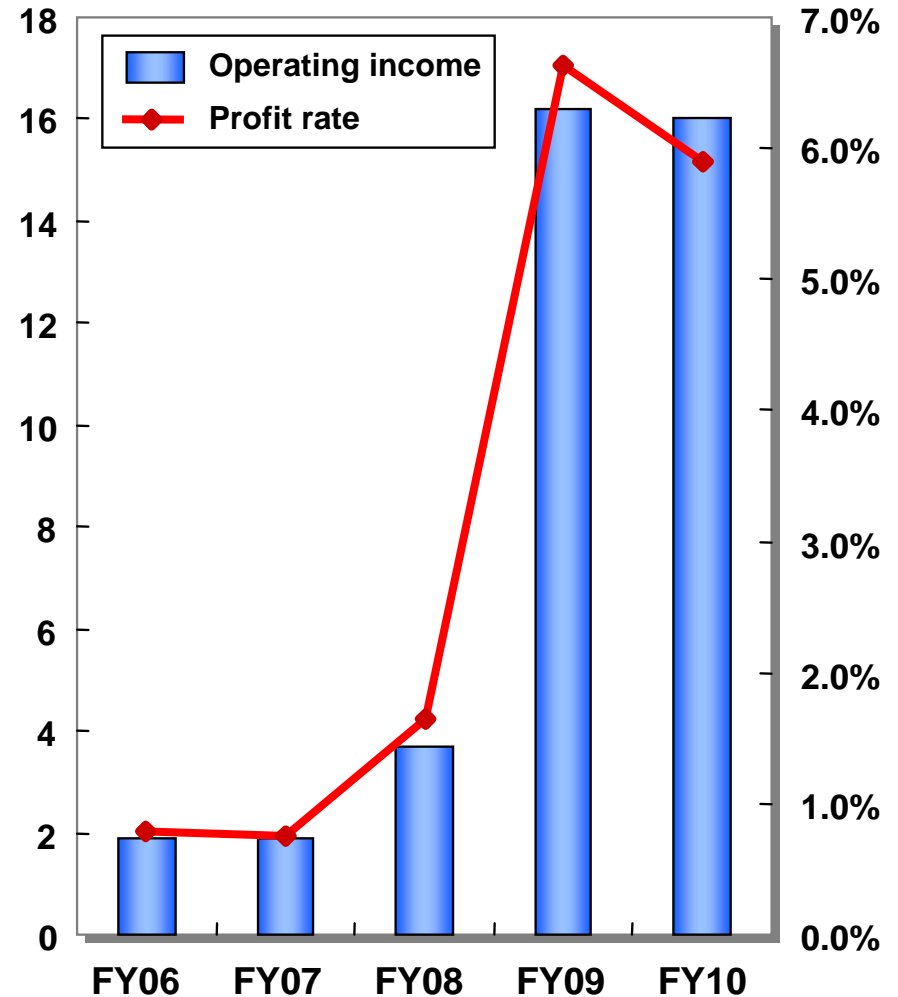
(Billions of yen)



FY2006-2009: Results
FY2010: Forecast

Operating income

(Billions of yen)

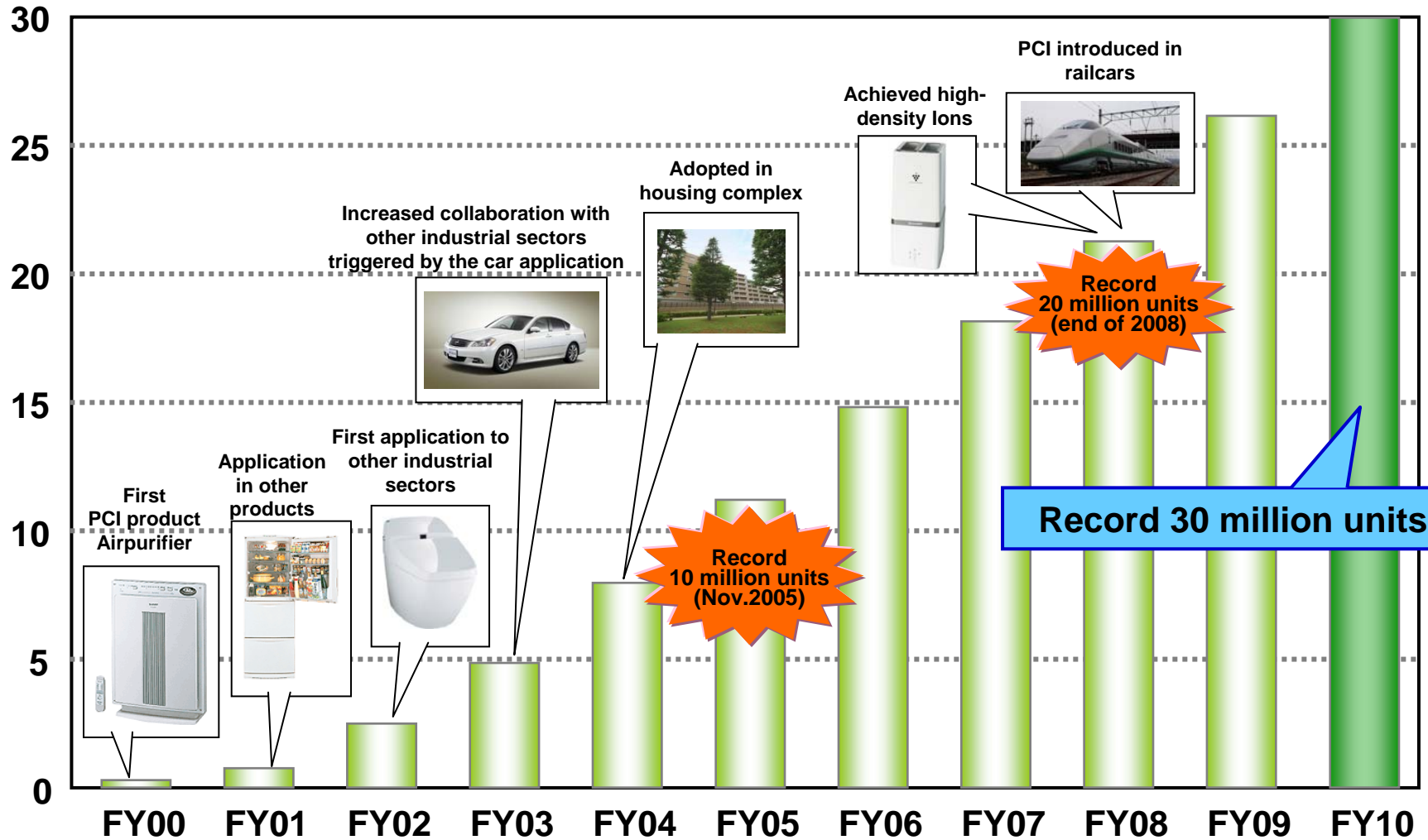


FY2006-2009: Results
FY2010: Forecast

Expanding Plasmacluster Ion products

Cumulative sales of Plasmacluster Ion (PCI) products

(Millions of units)



FY2000-2009: Results

FY2010: Forecast

LED lighting business

Street light / Exterior light



Street light



Street light equipped with solar panel

Lighting for commercial buildings, offices and factories



Square type



Down light

Home-use



LED lamps

Target to expand LED lighting business

Global market

- Meet replacement as demand for incandescent bulb regulated by government

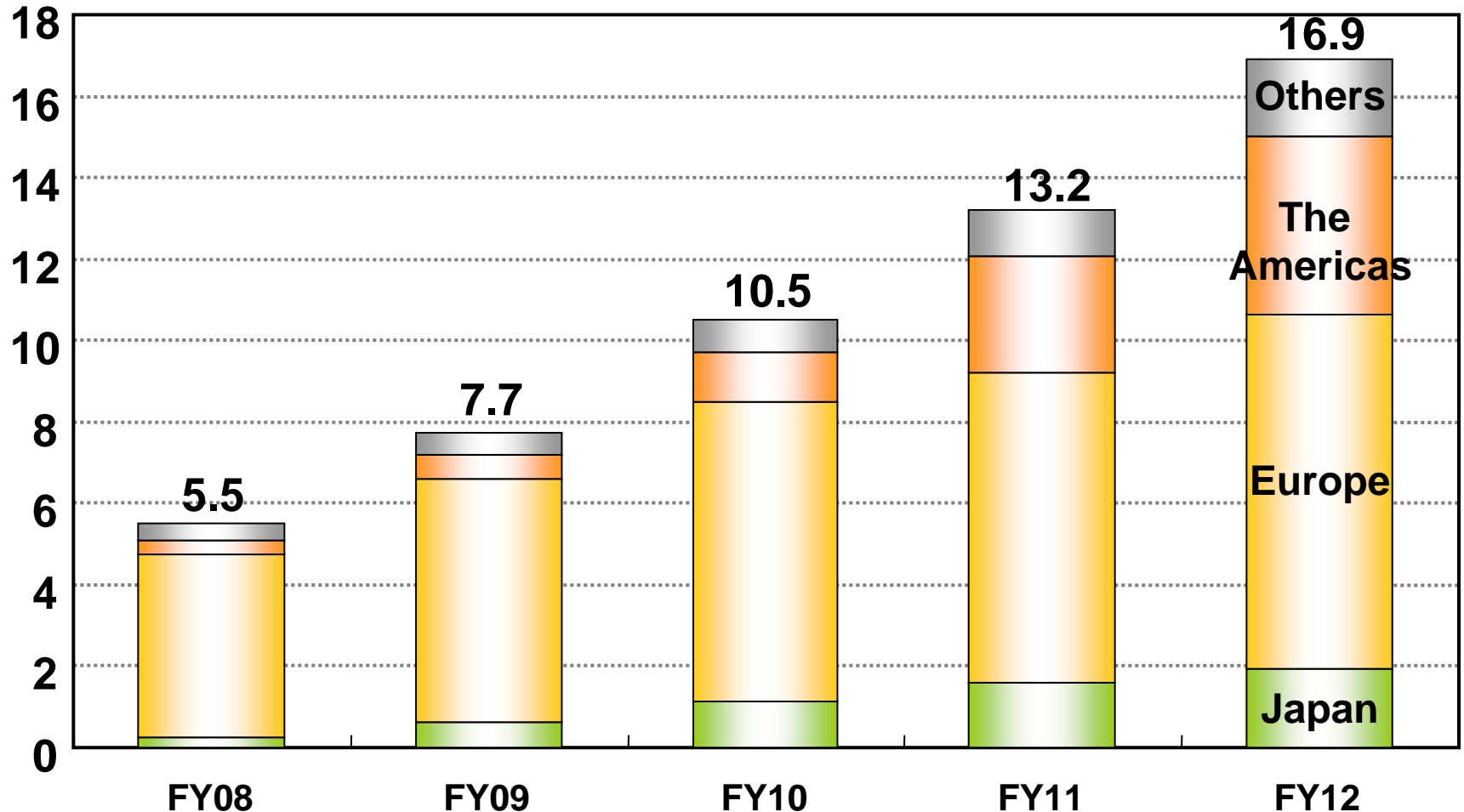
Japanese market

- Expand the line-up
- Strengthen cost competitiveness by reviewing the components
- Expand B to B business

Expanding PV market

PV demand by location

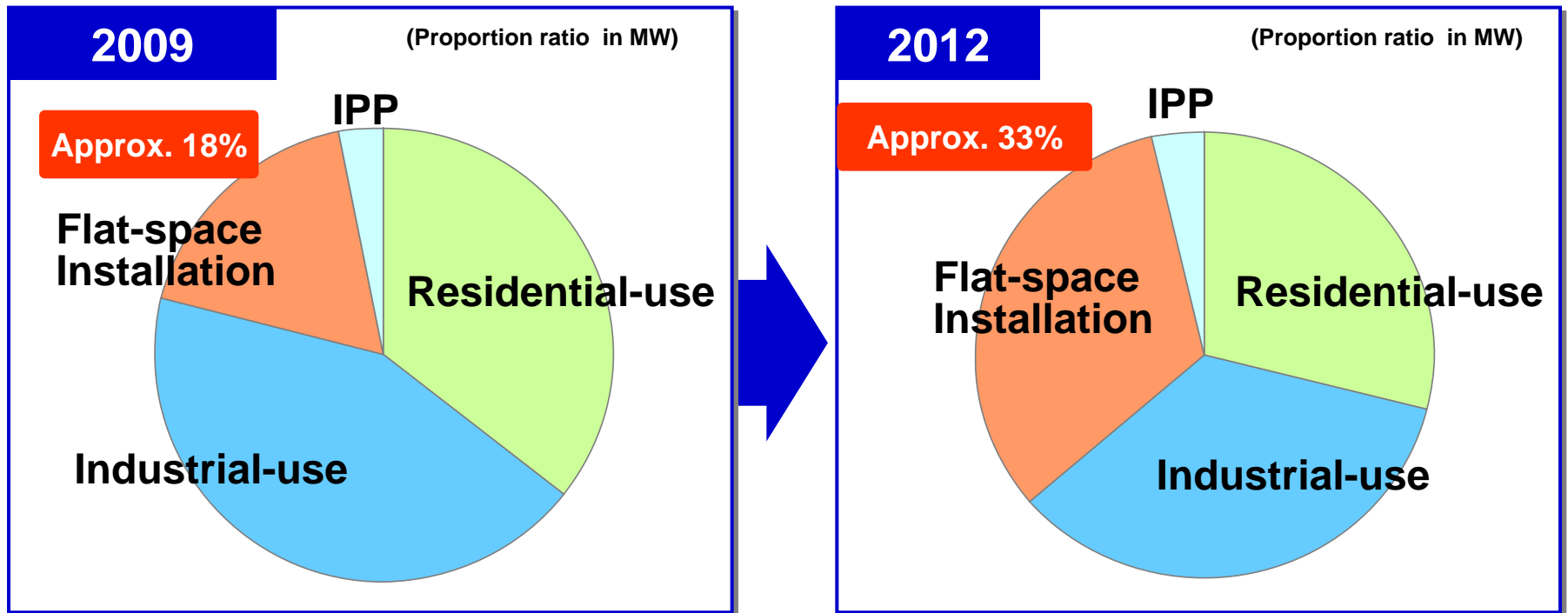
(GW)



FY 2008-2009: Results
FY2010-2012: Forecasts

(Source: Sharp)

PV market trend by application

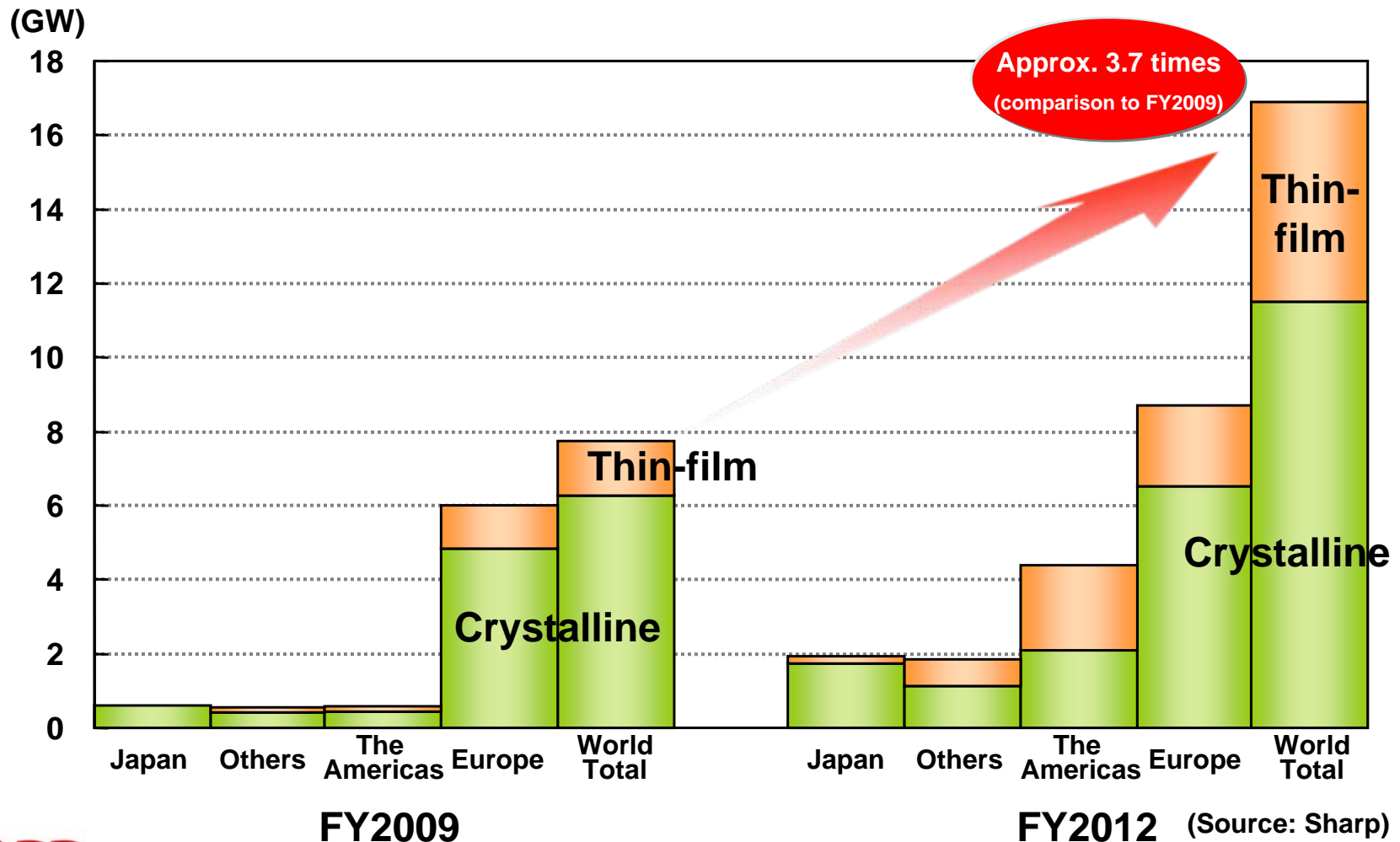


(Source: Sharp)

Significant growth in global market demand for flat-space installation including mega-solar power generation

Expanding PV market

With rising demand for mega-solar power generation plants, thin-film solar cells are expected to take approx. 30% of world's entire PV demand in 2012



To be competitive in solar cell business

Mega-solar power generation plants to be built around the world
Utilizes solar power generation as an energy infrastructure

Started the operation of solar cell plant at GREEN FRONT SAKAI in March 2010
Thin-film solar cells to be shipped from Sakai to customers around the world



Requirements for PV manufacturer

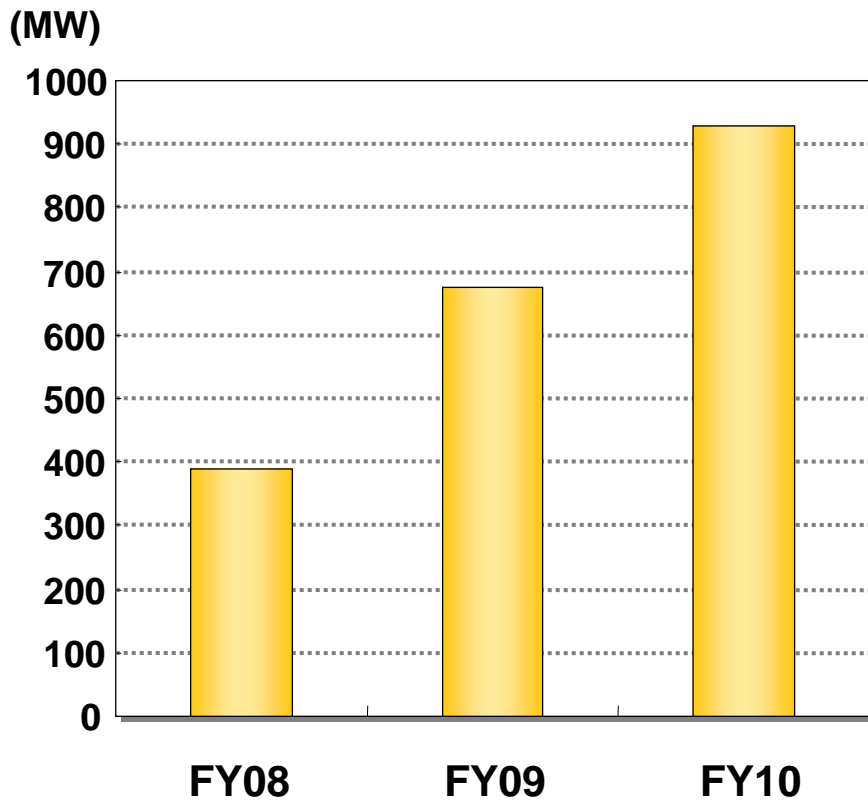
Technology

Cost competitiveness
(Grid parity)

Long reliability

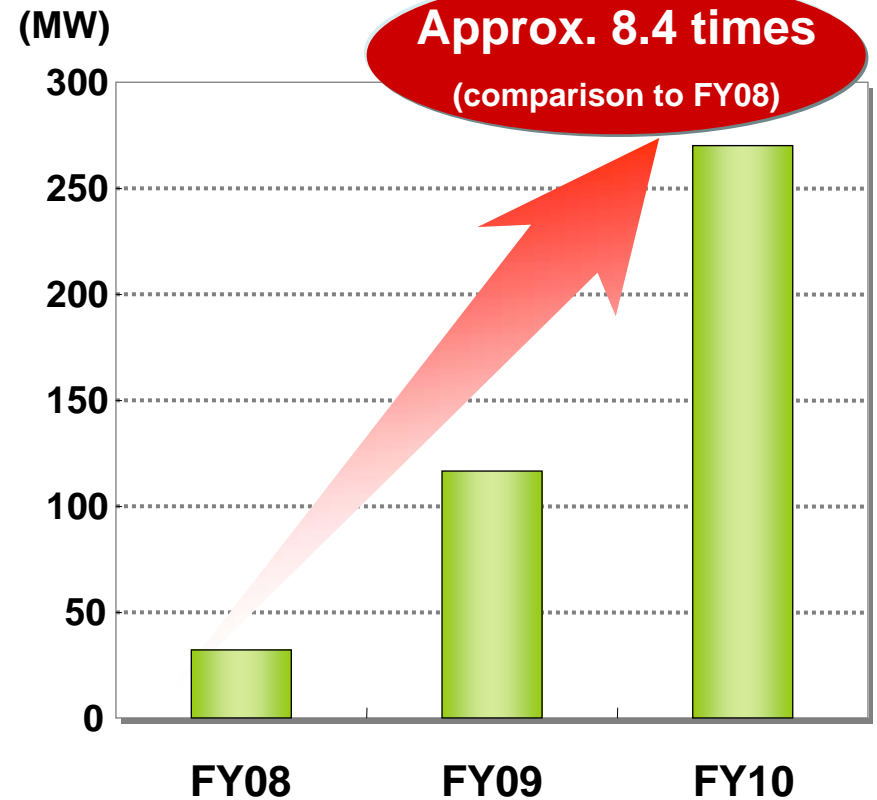
Sales of Sharp solar cells in fiscal year 2010

Sales of crystalline type (Sharp)



FY 2008-2009: Results
FY2010: Forecast

Sales of thin-film type (Sharp)



FY 2008-2009: Results
FY2010: Forecast

Forward-Looking Statements

This presentation material contains certain statements describing the future plans, strategies and performance of Sharp Corporation and its consolidated subsidiaries (hereinafter “Sharp”). These statements are not based on historical or present fact, but rather assumptions and estimates based on information currently available. These future plans, strategies and performance are subject to known and unknown risks, uncertainties and other factors. Sharp’s actual performance, business activities and financial position may differ materially from the assumptions and estimates provided on account of such risks, uncertainties and other factors. Sharp is under no obligation to update these forward-looking statements in light of new information, future events or any other factors. The risks, uncertainties and other factors that could affect actual results include, but are not limited to:

- (1) The economic situation in which Sharp operates**
- (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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