
Business Strategy FY2012

SHARP CORPORATION

Takashi Okuda, President

June 8, 2012

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- (1) Scenario for rebuilding Sharp
 - (2) Sharp's target
 - (3) Business model to be successful
in digital product category
 - (4) Business model to create new
one-of-a-kind product
 - (5) Reinforce business foundations

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(1) Scenario for rebuilding Sharp

1. Operate Sakai plant stably
2. Establish business model to be successful in commoditized digital product category
3. Improve competitiveness by off-balance-sheet arrangements of large-size LCD business
4. Enhance business model to create new one-of-a-kind product

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(2) Sharp's target

“Globally Competitive Company”

Reducing risk of production

**Business model to be successful
in digital product category**

[Hon Hai]
Purchasing power /
Production capacity

One and only growth strategy

**Business model to
create new
one-of-a-kind product**

[Sharp]
One-of-a-kind technology, Brand +
Enhancement of business planning and marketing

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(3) Business model to be successful in digital product category

Strategic global partnership
with Hon Hai

(1) Expand product ranges and sales areas of
commoditized digital products

Mobile phone
business

Promote collaboration on smartphone business
for Chinese market

(2) Enhance competitiveness by stable and cooperative
operation of Sakai plant

Stable operation of
Sakai plant

Hon Hai will procure LCD panels from
FY2012 Q2

(3) Business model to be successful in digital product category

(1) Expand product ranges and sales areas of commoditized digital products

-Mobile phone business

Develop product line-up in China, where the smartphone market is expanding, by utilizing common platform, facilities, and purchasing power

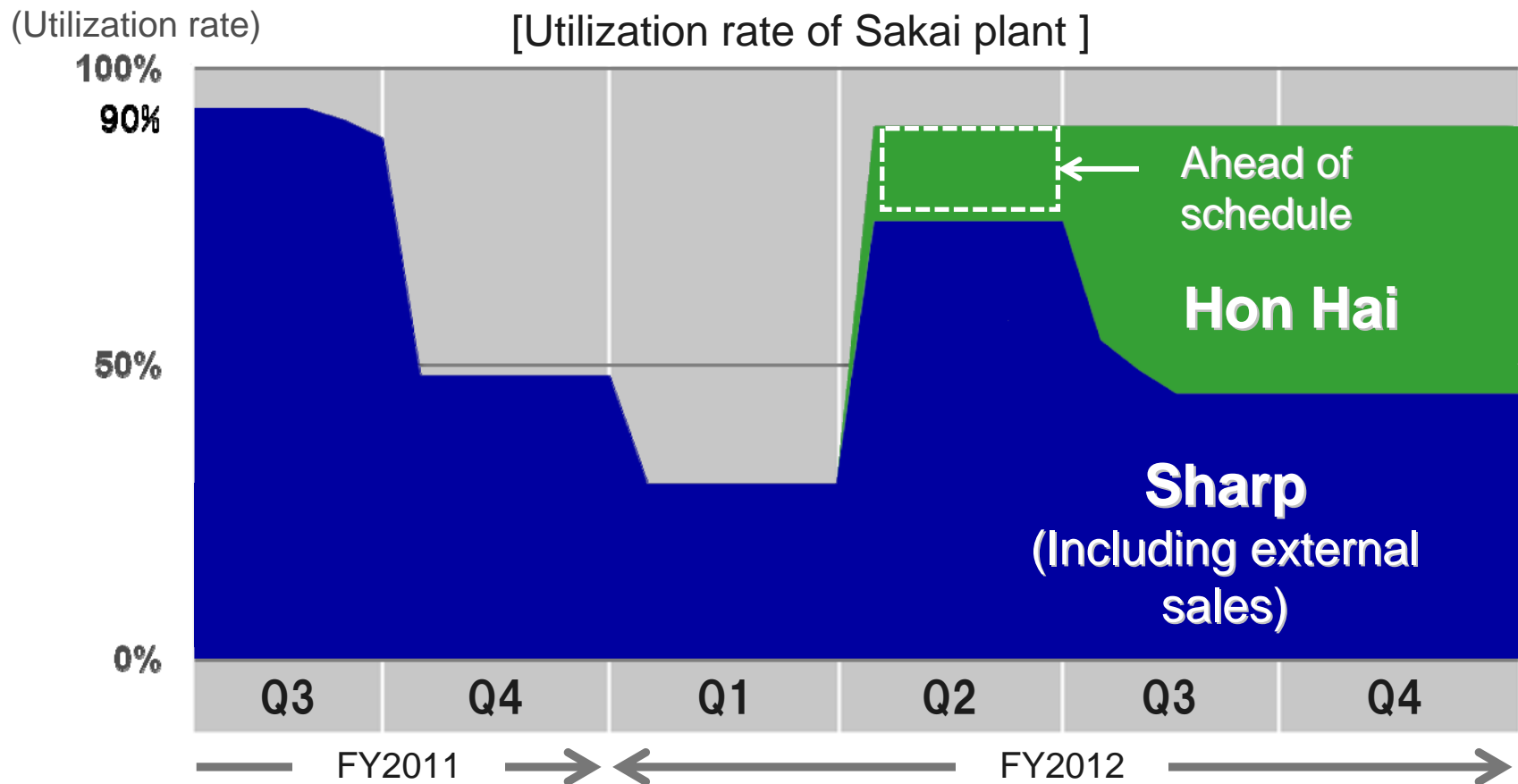


Launch new business scheme in Chinese market in FY2013

(3) Business model to be successful in digital product category

(2) Stable operation of Sakai plant

Hon Hai will procure LCD panels in FY2012 Q2 ahead of schedule



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(4) Business model to create new one-of-a-kind product

“Creating new market”
with Sharp’s one-of-a-kind technology

New one-of-a-kind strategy

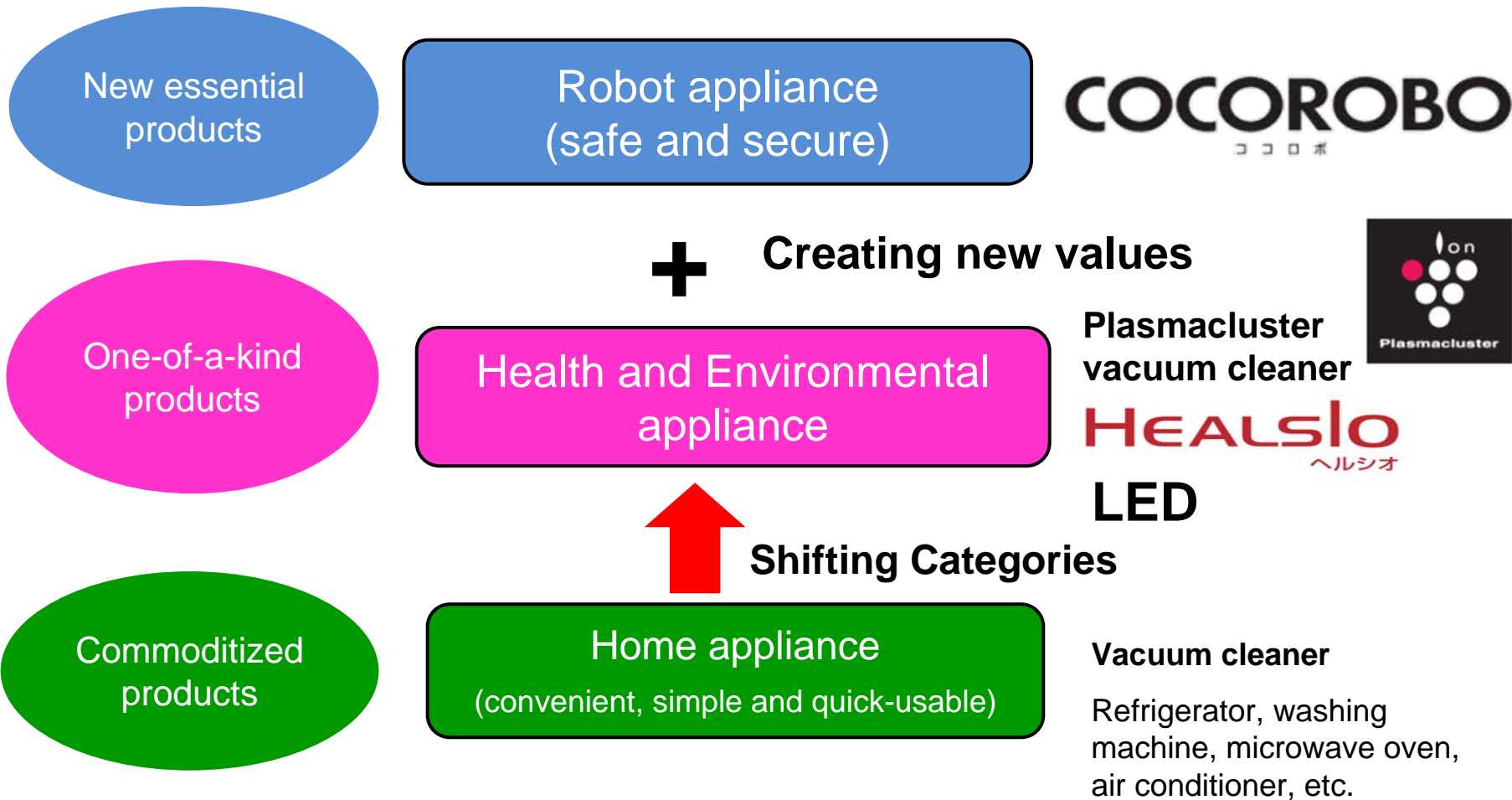
Current one-of-a-kind strategy

Emphasis on home electronics

Create new market with
products other than home
electronics

(4) Business model to create new one-of-a-kind product

Creating "New Essential Products" by shifting categories



(4) Business model to create new one-of-a-kind product

“Creating new market”
with Sharp’s one-of-a-kind technology

New one-of-a-kind strategy

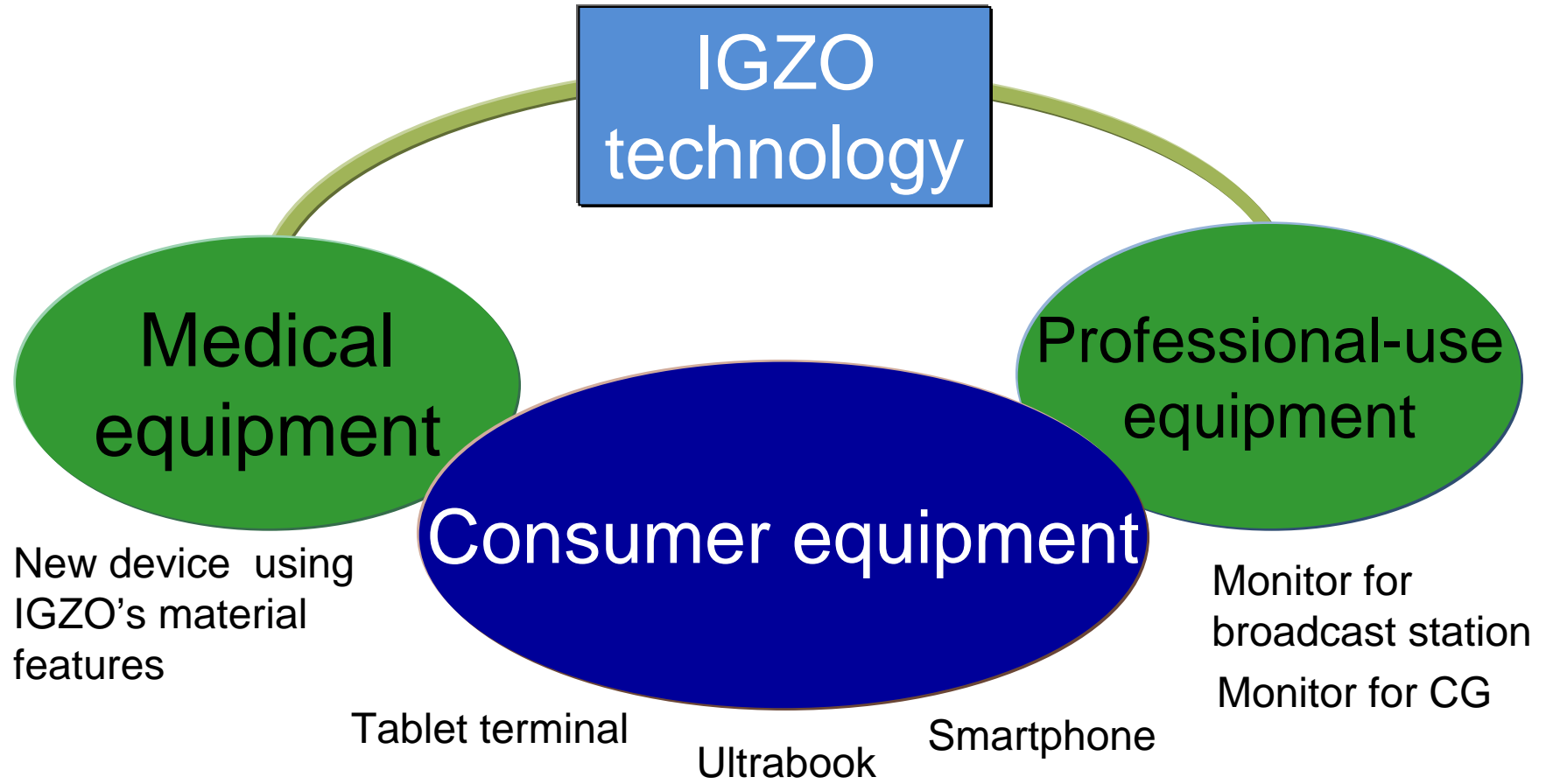
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(4) Business model to create new one-of-a-kind product

Expanding application of IGZO



(4) Business model to create new one-of-a-kind product

1. <Display> Monitor for diagnostic imaging

Displaying realistic images by combining IGZO technology which features “large and high-definition”, and multi-primary color technology for AQUOS.

Ex. Medical imaging monitors



2. High-tech daily commodities

Creation of products such as digital stationeries linked with mirrors, calendars, and electronic textbooks.

Ex. Digital mirror
(Combination of IGZO display and camera)

Information from cloud services

Camera



IGZO's high-definition display

Displaying info by EC linkage

To become a “Globally Competitive Company”

<Sharp's Target>

1. Business model to be successful in commoditized digital product category
2. Business model to create new one-of-a-kind products

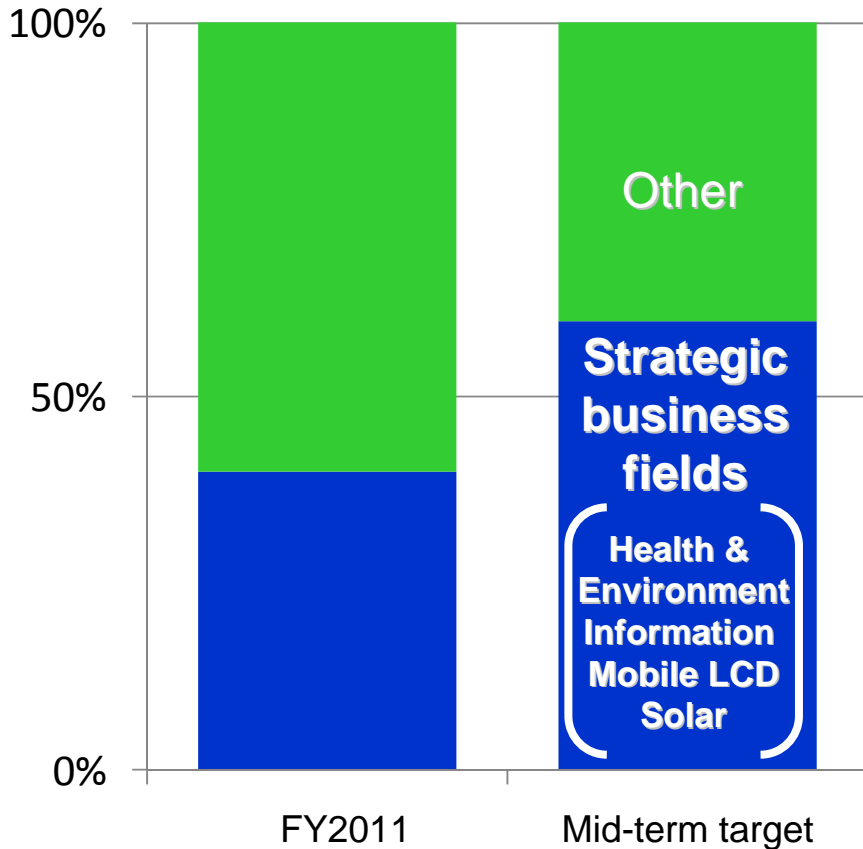


Expand product ranges and sales areas

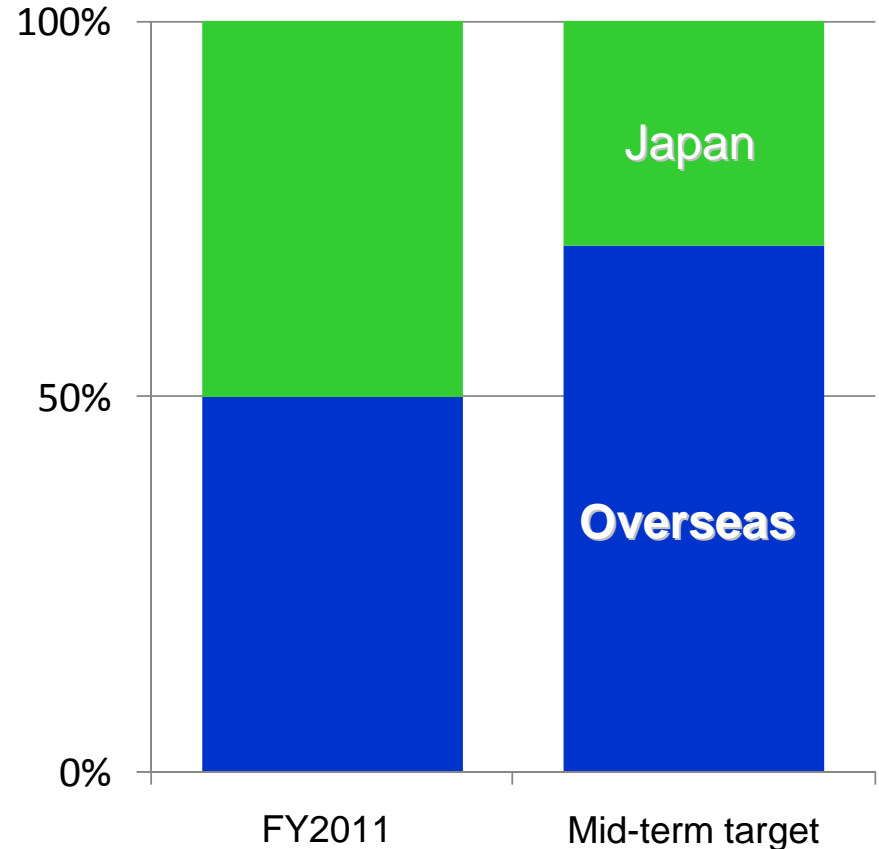
To become a “Globally Competitive Company”

Expansion of strategic business field and overseas sales

[Sales ratio of strategic business fields]

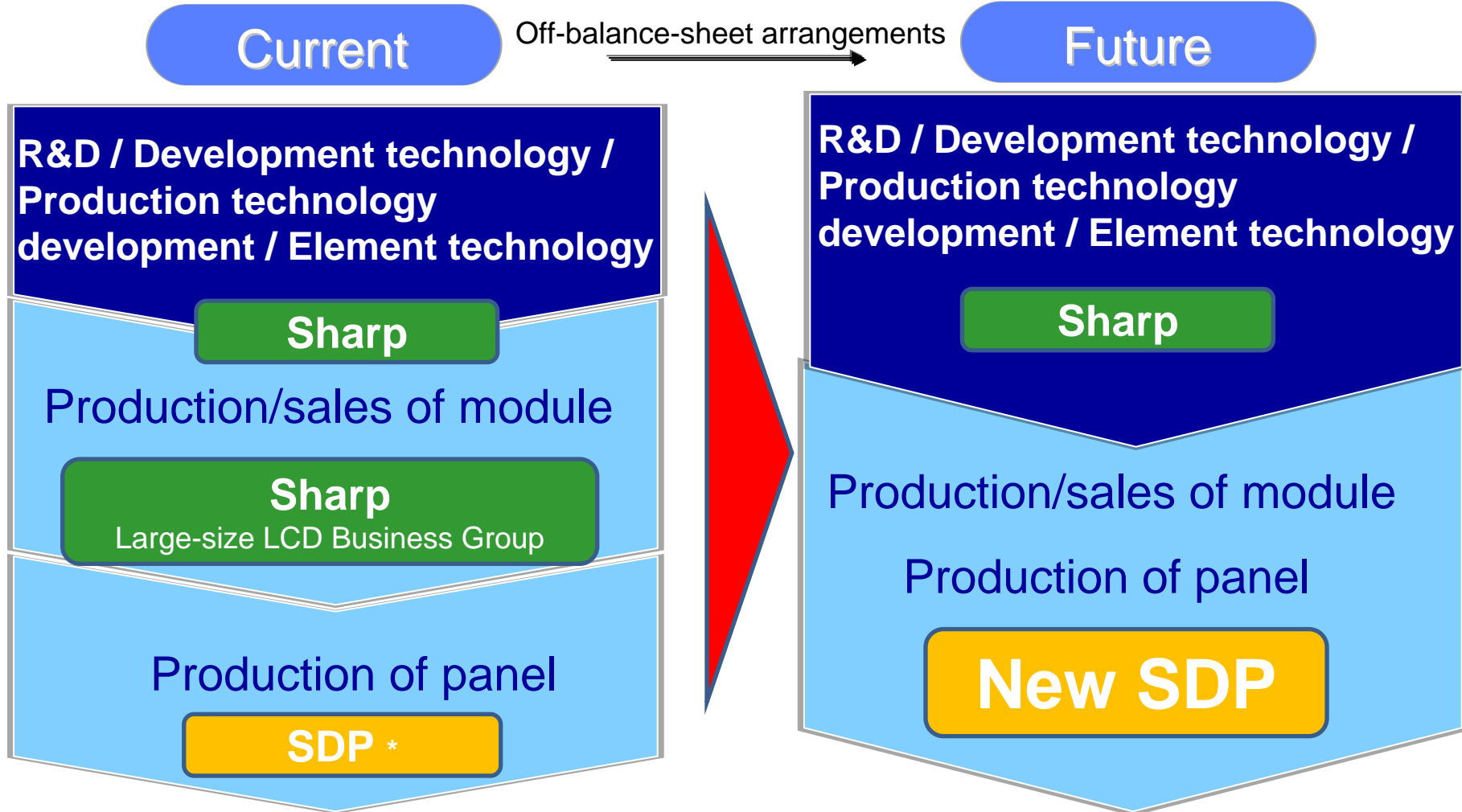


[Overseas sales ratio]



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(5) Reinforce business foundations



To achieve stable management

(5) Reinforce business foundations

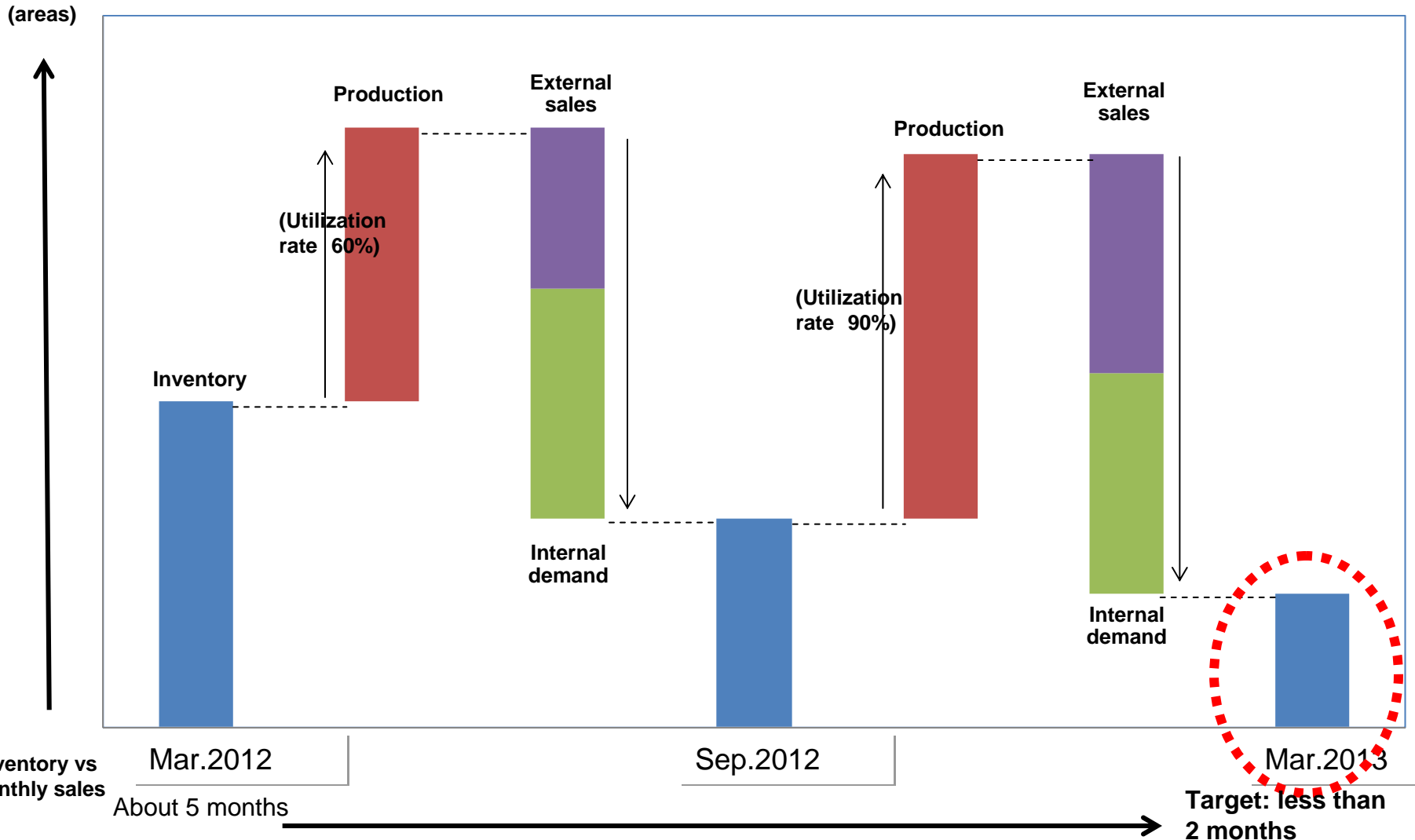
Theme	Affected items	Amount (¥:billion)	Note
Off-balance-sheet arrangements of large-size LCD business	Decrease in assets and liabilities	110.0	Include reduction of assets and liabilities due to transfer of SDP shares and off-balance-sheet arrangements
Issue new shares through third-party allotment	Increase in equity	66.9	
Reduce inventories and noncurrent assets	Decrease in inventories and noncurrent assets	150.0	
Improve cash flows by reducing capital investment	Decrease in interest-bearing debt	70.0	



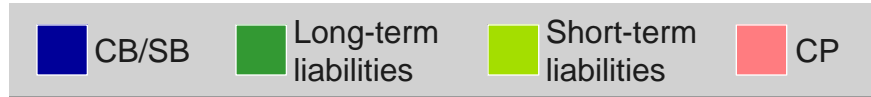
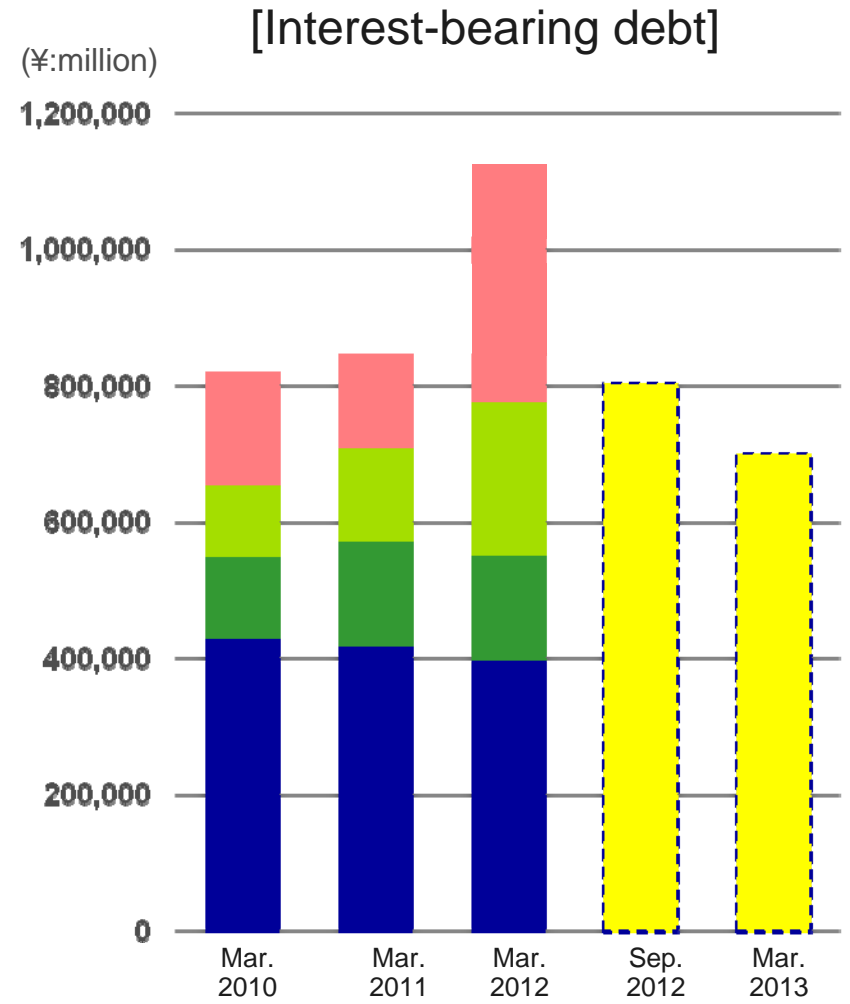
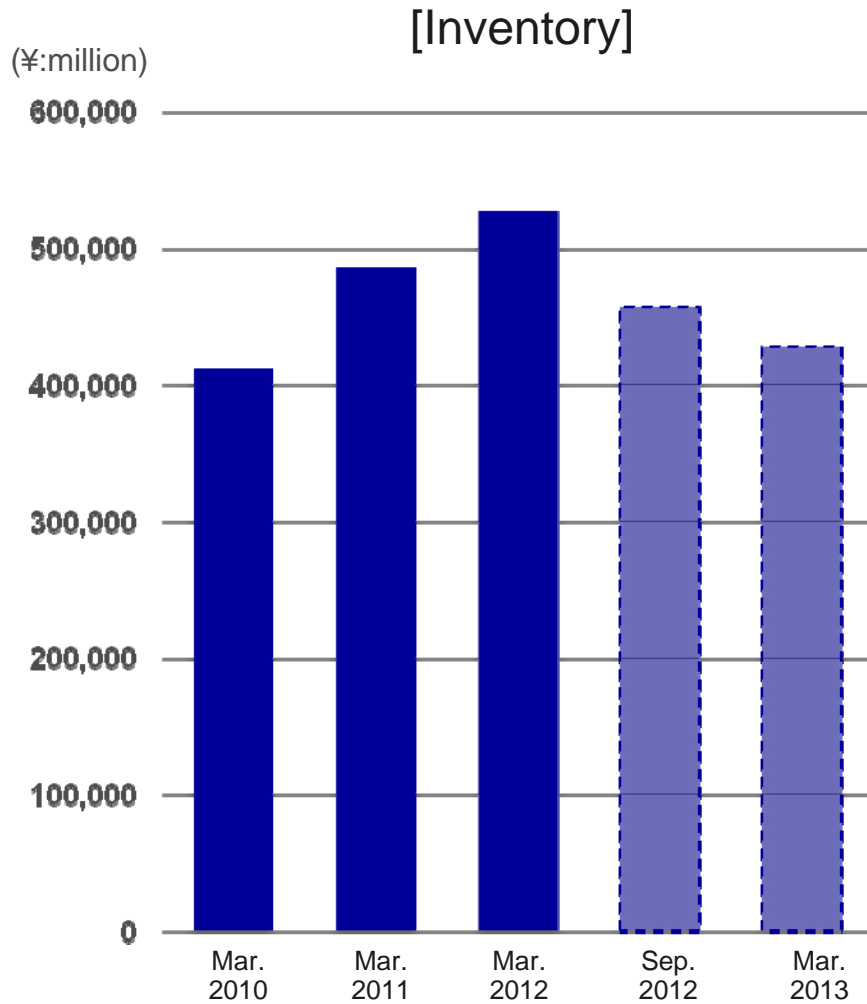
Total 400 billion yen financial improvement

(5) Reinforce business foundations

Proper Inventory of LCD Panels



(5) Reinforce business foundations



Conclusion

Corporate goal for Sharp

“Globally Competitive Company”

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) Regulations such as trade restrictions in other countries
- (5) The progress of collaborations and alliances with other companies
- (6) Litigation and other legal proceedings against Sharp
- (7) Rapid technological changes in products and services, etc.

SHARP