

SHARP

Be Original.

Management Meeting

June23, 2022

Sharp Corporation

President & CEO Robert Wu



Robert Wu (吳柏勳)

Birth date: July 22, 1977

Biography

- June 2001 **National Taiwan University of Science and Technology**
Graduate School of Information Management (MBA)
- July 2001 **Hon Hai Precision Industry Co., Ltd**
- Experienced U.S. / Europe / China business cultivation etc. } **Hon Hai:**
About 10 years
- June 2012 **Sakai Display Products Corporation**
- After working as Management Planning Manager
Appointed Director (part-time) January 2015 } **SDP+SHARP:**
About 10 years
- February 2017 **Sharp Corporation**
- Appointed President of Thailand sales base
- Later led global expansion of Sharp brand through
ASEAN business, Americas business, overseas TVs business etc.
- April 2022 **Deputy Chairman & CEO**
- June 2022 **Director, President & CEO**

1. Steps toward Strong Brand Company “SHARP”



Execute **Management emphasizing on ESG** in addition to current management policy



Raise social value
Raise brand value

Create surplus / stable profit

Establish foundation for future

- Establish business structure centering brand businesses
- Realize “Changing the World with 8K+5G and AIoT”
- Strengthen financial basis and return to corporate bond market

Fiscal 2016 ~ 2021

Sustainable growth

Management Emphasizing on ESG

- 
- (1) Further strengthen healthcare related business
 - (2) Contribute to Carbon Neutral
 - (3) HITO-based Management
 - (4) True Global Company


ongoing

Fiscal 2022 and on

Measure health data unconsciously and provide solutions optimized for each person in order to realize
a self-directing living toward health


Our focal points

上医
(Preventive care)




- Not ill status
- Before becoming sick

中医
(healthcare guidance)

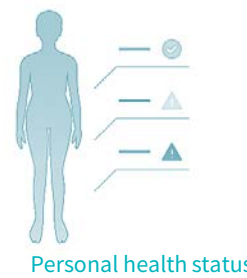


- Almost becoming ill status
- Examination / diagnosis, healthcare guidance

下医
(Treatment of illness)



- Ill status
- Medical treatment



Business concept

Provide value (hardware / service)

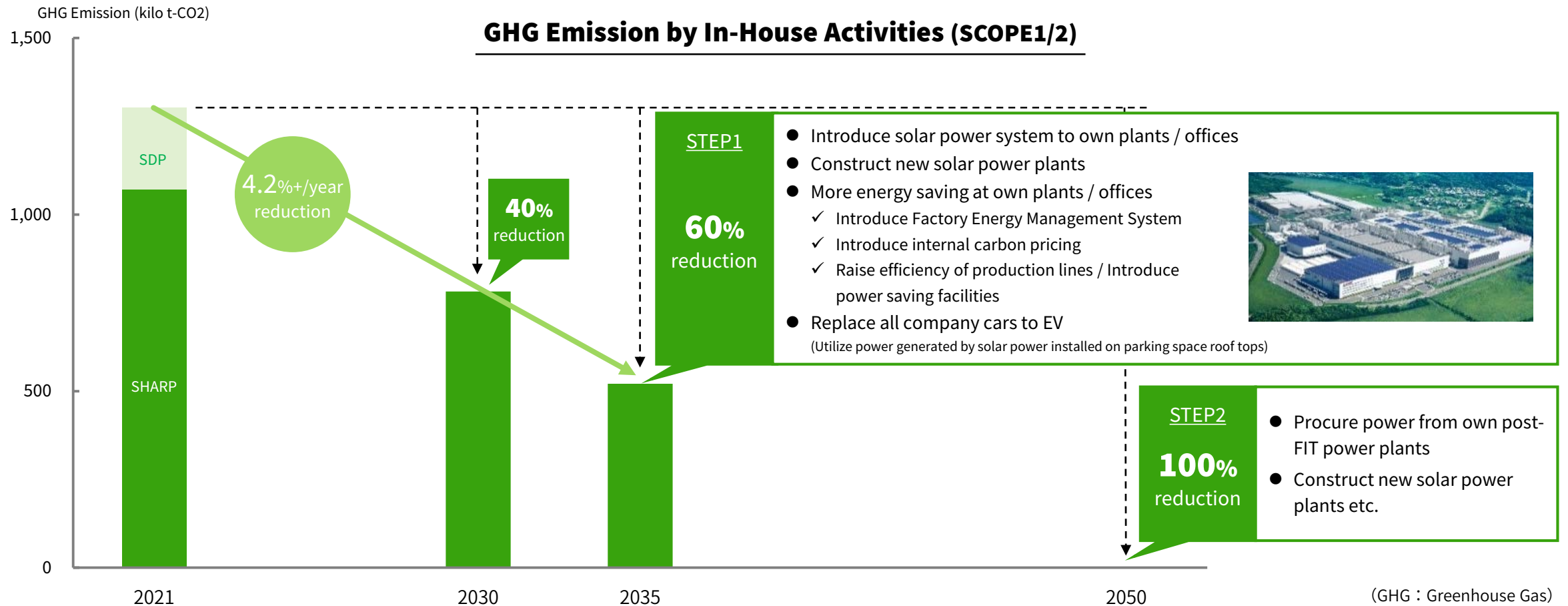
- Health advice
- Recipe proposal by disease
- IAQ optimization (Indoor Air Quality) etc.



Home appliances / residential equipment



Aim **60% reduction by 2035** (against fiscal 2021) to realize Virtually Zero GHG Emission in 2050



Accelerate Transformation of Energy Solutions Business

and contribute to expansion of renewable energy



Promote designing and innovation of system from HITO perspective for sustainable growth.

Aim to Nurture **“Young and Lively Corporate Culture”**

<p>Evolve performance-based reward system to support young generation</p>	<p>(1) Realize speedy promotion based on job responsibility</p>	<p>(2) Annual salary increase with variation considering reward standards</p>	<p>(3) Bonus system realizing higher standards based on business performance</p>
<p>Establish work treatment system effective on collecting personnel</p>	<p>(1) Raise reward level of excellent young talent observing market standards</p>	<p>(2) Realize flexible work styles and work spots</p>	<p>(3) Enrich welfare such as dorm, canteen, healthcare measures etc.</p>
<p>Fulfill methods to support development of personnel</p>	<p>(1) Enrich education program for next-generation management executives / startup training</p>	<p>(2) Aggressively provide opportunities to work overseas</p>	<p>(3) Promote job mobility within business groups</p>
<p>Improve organization rejuvenation / decision-making speed</p>	<p>(1) Further strengthen recruitment</p>	<p>(2) Aggressively assign young employees to key posts</p>	<p>(3) Promote flattening of organizations</p>

Personnel

- Boost **English skills** of employees
- Strengthen overseas **human resource management** and collect **excellent personnel**
- Global permeation of **corporate philosophy**



Organization / Function

- **Strengthen overseas support function** by Headquarter
- Accelerate **alliance / M&A with overseas companies**
- Strengthen **corporate branding** (Japan / overseas)

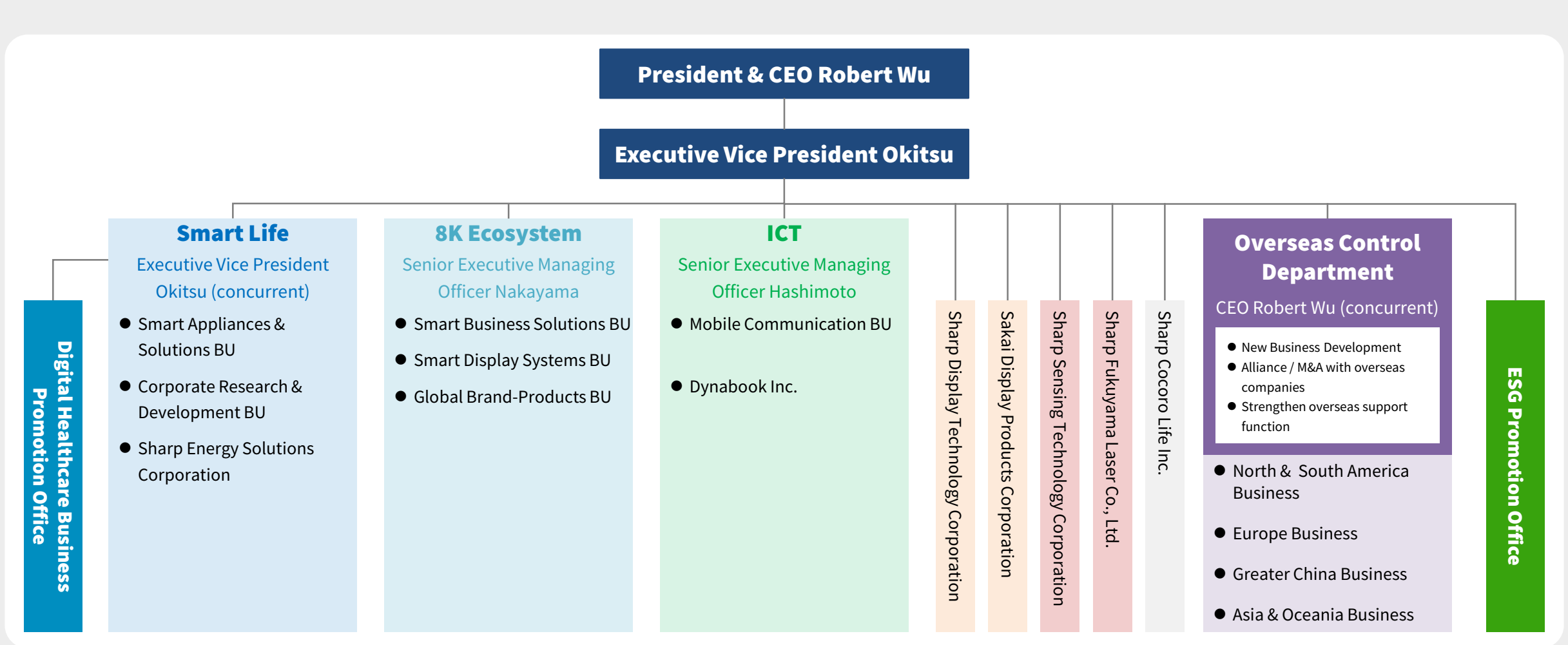


Products / Services

- **Global simultaneous introduction** of new products with latest technology
- Strengthen **local-adapting** products / services development



Establish **Overseas Control Department, Digital Healthcare Business Promotion Office, ESG Promotion Office** for early realization of ESG-based management



2. Consolidating Sakai Display Products Corporation



To **Consolidate** Sakai Display Products Corporation on June 27, 2022

Aim of consolidation

- (1) **Stable and predominating procurement of high quality panels** for TV business and professional displays business
- (2) **Expansion of application, improvement of production ability, strengthening future competition** in display device business
- (3) **Predominance in panel supply for Americas market** with U.S.-China trade friction in background

Outline of SDP



- Established April 1, 2009
- Only Gen.10+* Large size LCD panel plant outside of China
* Mother glass size: 2,880mm x 3,130mm
- Employees: Approx. 1,150 (as of June 30, 2021)

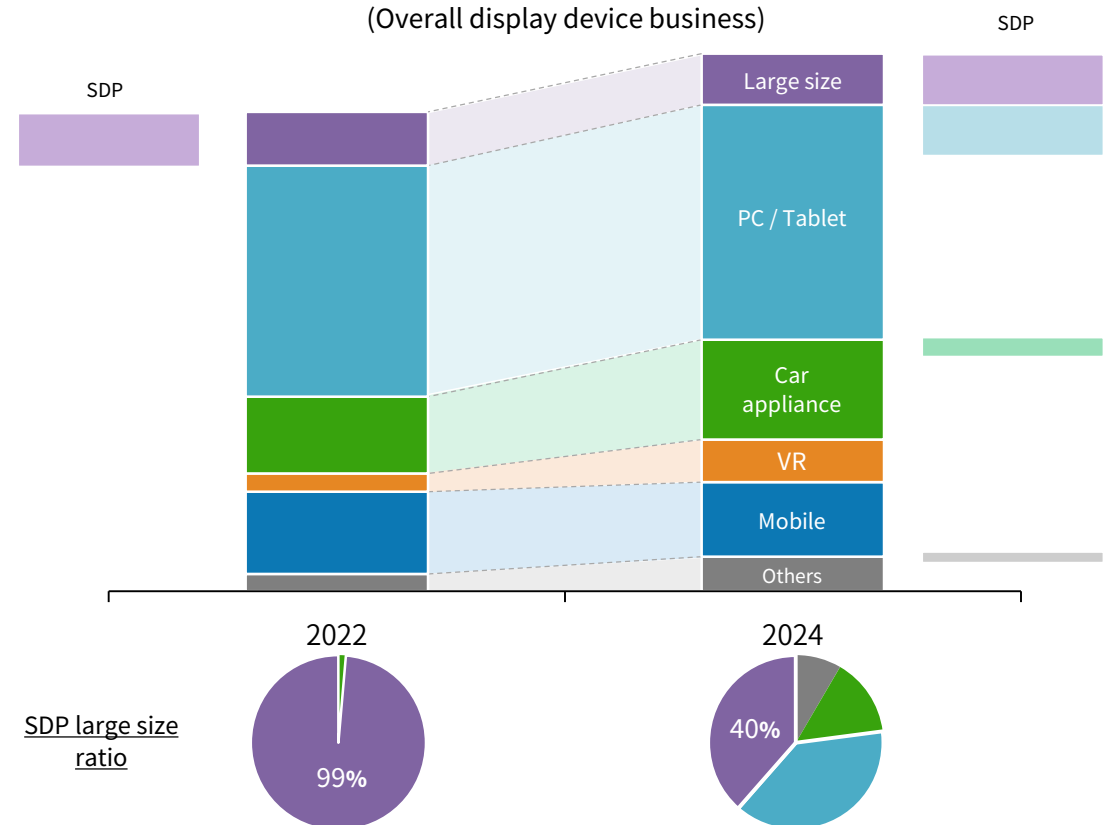
Expand business centering **PCs / car appliances / VR panels** with strong demands

Direction of business expansion

- (1) Acceleration of business expansion and raise in presence with consolidation of SDP
- (2) Strengthening mid-size panel business (for PCs / car appliances) and VR panels business
- (3) Development of new self-luminous display for the future

Image of sales expansion

(Overall display device business)



3. Fiscal 2022 Activities



The world economy is becoming **even more unclear** with issues such as COVID-19, semiconductor shortage, raise in raw material / components costs, confusion in logistics as well as Ukraine conflict and rapid depreciation of Japanese yen

March~ Ukraine conflict

- Soaring oil and natural gas costs
- Soaring food and raw material costs
- Stagnating demands

March~ rapid depreciation of yen

- Standards reached a low for the first time in 24 years

April / May Shanghai lockdown (zero-COVID policy)

- Supply chain confusion deepening with plant operations halted
- Shortage in manpower / material, increase in procurement cost

[Economy growth rate (IMF)]





(1) Strengthen overseas business



(2) Expand new areas

(new products / services, new markets, new businesses)



(3) Risk correspondence

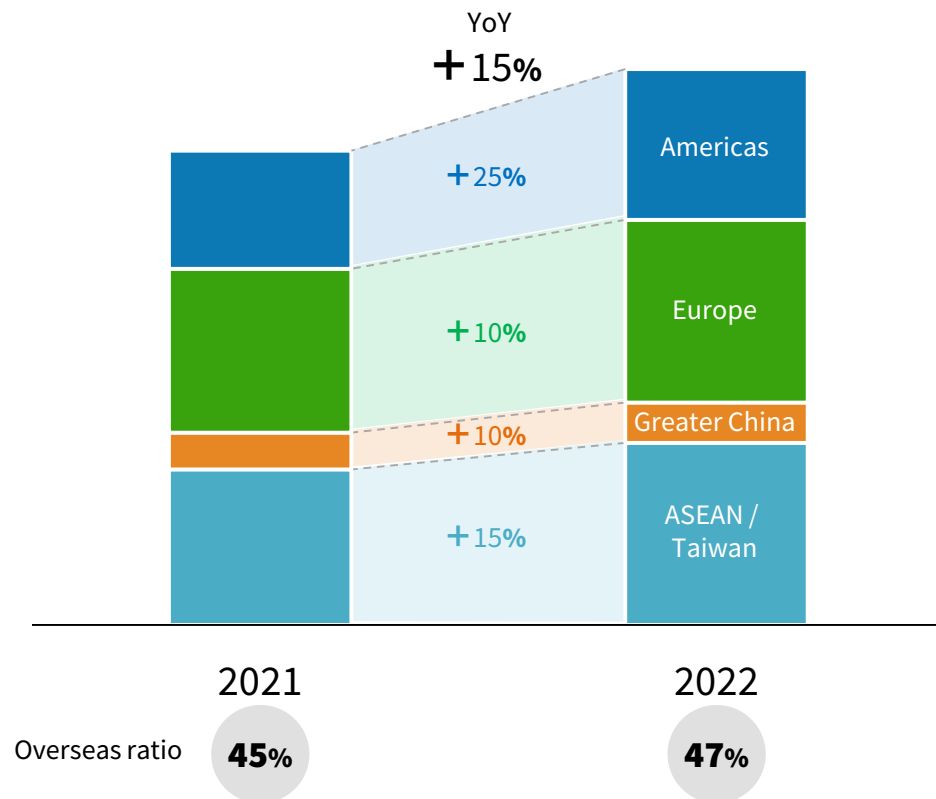
(semiconductors, raw material / components, logistics etc.)

(1) Strengthen overseas business

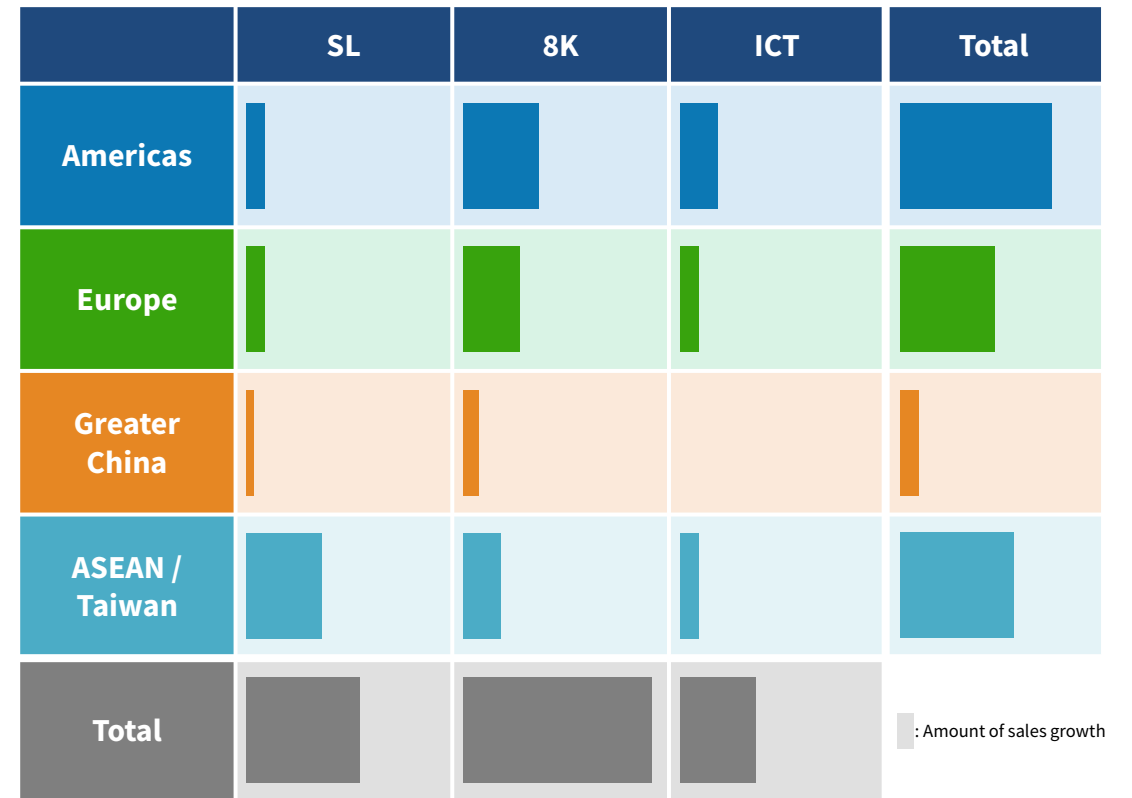
Americas, Europe, ASEAN / Taiwan businesses to lead expansion

Transition of sales per overseas region

(Brand business)



Contribution of sales growth by segment per region / segment (2021->2022)



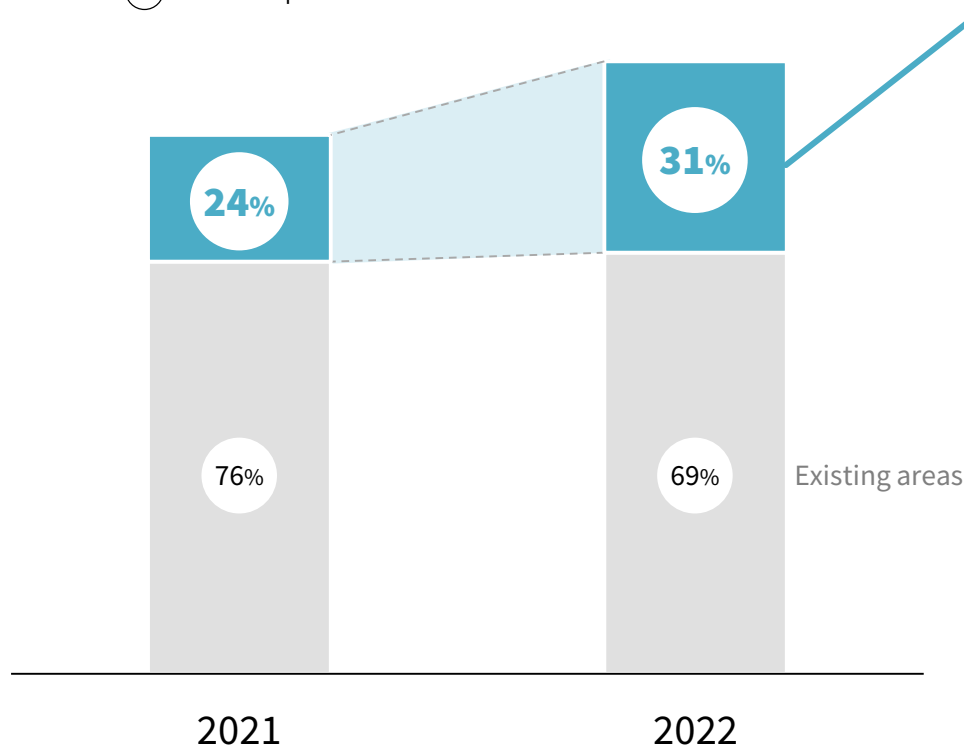
(2) Expand New Areas

Expand business from perspectives of **new products / services, new markets, new businesses** while maintaining and strengthening existing businesses

Sales transition of new / existing areas

(Brand business)

○ = sales composition ratio



New areas

Develop new products / services

- Expand AIoT corresponding devices
- Expand high added-value products such as AQUOS XLED
- Strengthen new category / locally-adapting merchandise

Expand business




- Cultivate Europe / Americas market (re-entry of U.S. B2C TV business etc.)
- Cultivate EC / membership sales channels
- Entry to new markets such as India / Africa

Create new business

- Expand solutions business such as Smart Office
- Expand B2B business by alliance with other industries
- Expand PPA business for residential / corporate applications / expand aerospace PV business

*PPA : Power Purchase Agreement

Minimize risk impact with the below countermeasures in addition to daily cost reduction

	Overview	Current measures	Fiscal 2022 impact (change from previous fiscal)
Semiconductor shortage / cost raise 	<ul style="list-style-type: none"> ● Demand / supply for memory semiconductors are starting to stable ● Others continue to show shortage / cost raise tendency 	<ul style="list-style-type: none"> ● Top negotiation with semiconductor suppliers ● Vary procurement / switch to replaceable products ● Propose forecast on long term 	Improving
Raw material / components shortage / cost raise 	<ul style="list-style-type: none"> ● Steel / copper / resin costs remain at high level. Impact to Russian minerals due to sanctuary by others are concerned ● Electronic component boards costs are rising. Tight supply centering capacitors are continuing 	<ul style="list-style-type: none"> ● Vary procurement / switch to replaceable products ● Avoid shortage / high-cost parts by design change ● Early detection of issues by working in close collaboration with parts makers 	Continuing ~ deteriorating
Logistics confusion 	<ul style="list-style-type: none"> ● U.S. ports: traffic is temporarily dissolved due to lockdown at Shanghai. However, with quantity increase expected after lockdown lift, traffic and raise in transportation costs are expected to return ● European ports: confusion continues 	<ul style="list-style-type: none"> ● Conduct swift shipment allocation and cost reduction while observing the situation in collaboration with logistics subsidiary SJL ● Change logistics route and container landing ports 	Continuing

Achieve business results with strong determination and speed

by improving skills such as sales and marketing

1 Sales marketing



- Strengthen marketing
- Expand global business

2 Organization learning



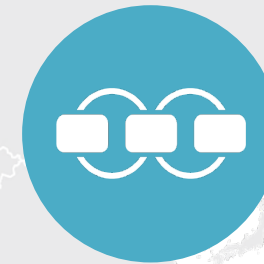
- Improve learning skills as an organization
- Promote growth of organization

3 English communication



- Promote communication between regions
- Become global company

4 Horizontal integration



- Integrate resources from each BU
- Maximize synergy effect

5 Execution



- Execution of action items
- Establish alliance with various stakeholders

From Japan-centric brand to global SHARP brand

SHARP

Be Original.

Sharpening our vision to extend possibilities.

新しいシャープは、新しい時代のために。

SHARP

Be Original.