

# **Management Policy**

## **1. Basic Management Policy**

The Sharp Group's business creed is based on the principles of "Sincerity and Creativity." Our aim is to inspire all our daily work with these principles so that we can earn the appreciation of people everywhere, and make a valuable contribution to society. Our corporate philosophy expresses our desire to grow in mutual prosperity with all stakeholders in the business, including shareholders, business partners, and employees.

## **2. Mid- and Long-Term Business Strategy and Issues the Company Needs to Face**

Since its founding, the Sharp Group has consistently worked to make productive contributions to society at large through the development of unique, one-of-a-kind products that are ahead of their time. Going forward, we are aiming for further business expansion and stable growth, as a "valued, one-of-a-kind company" that provides new lifestyle ideas and satisfaction to our customers by developing proprietary electronic devices and creating uniquely-featured products that make full use of leading-edge electronics technologies.

With a focus on this goal, we have established the following two visions for the 2012 centennial anniversary of our foundation.

### **(1) Realize a True Ubiquitous Network Society with Our World's Best LCDs**

The electronics industry is entering a phase of major change, as the advancement and increasing sophistication of broadcast and telecommunications infrastructure are taking us into a new era of digital convergence in which media, equipment and functions will converge into a single entity around a core of digital technology. In this circumstance, we will contribute to the realization of a true ubiquitous network society, taking maximum advantage of having LCDs of all sizes and cutting-edge display technologies. Specifically, we will offer new lifestyles that use LCD-equipped products such as TVs and mobile phones as portal terminals that functions as gateways to network services.

### **(2) Contribute to Society by Environment- and Health-Related Business with Energy-Saving and Energy-Creating Equipment as the Core**

People today are becoming increasingly aware of the environment and their health, against the background of worsening environmental problems, and the aging population and falling birthrate, particularly in the developed countries. We recognize that these are important issues for the electronics industry to tackle. The Sharp Group will promote energy saving and energy creation, by such measures as enhancing development of our environmentally-friendly LCDs, creating energy-efficient home appliances and office equipment, and expanding business of clean-energy solar cells. We are also working to offer healthy lifestyles to the world by encouraging the widespread use of health-promoting appliances that make the most of our Plasmacluster Ion and superheated steam technologies.

Toward the realization of these visions, we will make efforts to expand business further and enhance corporate value, as well as to improve ROE (return on equity) and free cash flow as the main management indicators. We are also continuing to focus on enhancing our return on investment in all our business divisions, based on "profit after capital cost" (PCC), which is calculated by subtracting the cost of invested capital from NOPAT (net operating profit after income taxes).