

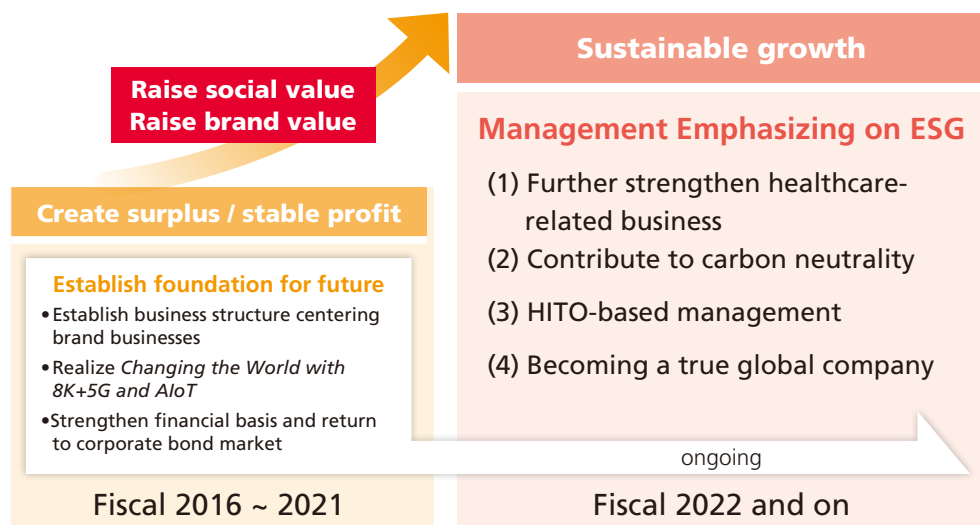
# Management Emphasizing on ESG

## Steps toward Strong Brand Company "SHARP"

Sharp promotes the three initiatives of: (1) Establish business structure centering brand businesses, (2) Realize *Changing the World with 8K+5G and AIoT*, and (3) Strengthen financial basis and return to corporate bond market. By doing so, we have created stable profits despite extremely difficult business environments, such as COVID-19 infections, and supply chain turmoil.

Going forward, we will continue to execute management emphasizing on ESG in addition to these foundations. Specifically, we will focus on the following four measures: (1) Further strengthen healthcare-related business, (2) Contribute to carbon neutrality, (3) HITO-based management and (4) Becoming a true global company.

We will strive to enhance the social value of Sharp and its branding power to achieve sustainable growth through these measures.



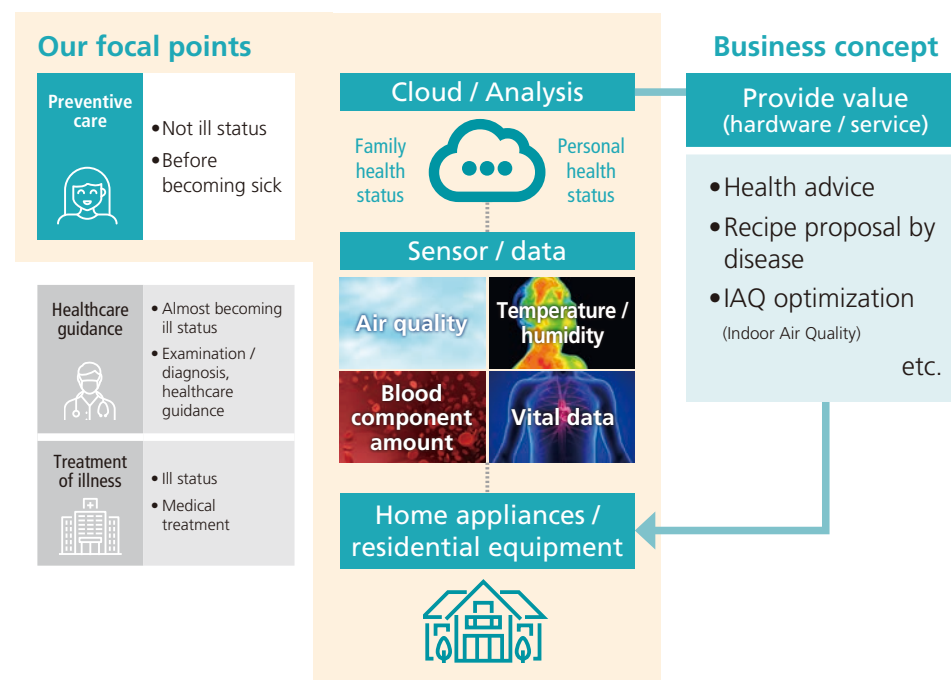
## (1) Further strengthen healthcare-related business

Due to current impacts of COVID-19 infections and an aging population, society's concern for health and cleanliness is on the rise. In response to these impacts, Sharp is developing new products, services, and solutions, focusing on the areas of illness prevention.

We will actively work on coordination with other companies and M&A, in addition to strengthening sensing functions in our white goods, TV's, mobile devices, etc., developing proprietary healthcare-related sensors, and creating new healthcare-related devices.

Through these efforts, we will establish mechanisms that allow users to measure health data unconsciously and provide optimized solutions for each individual by analyzing the accumulated data.

We hope to achieve a lifestyle where users naturally become healthier.



# Management Emphasizing on ESG

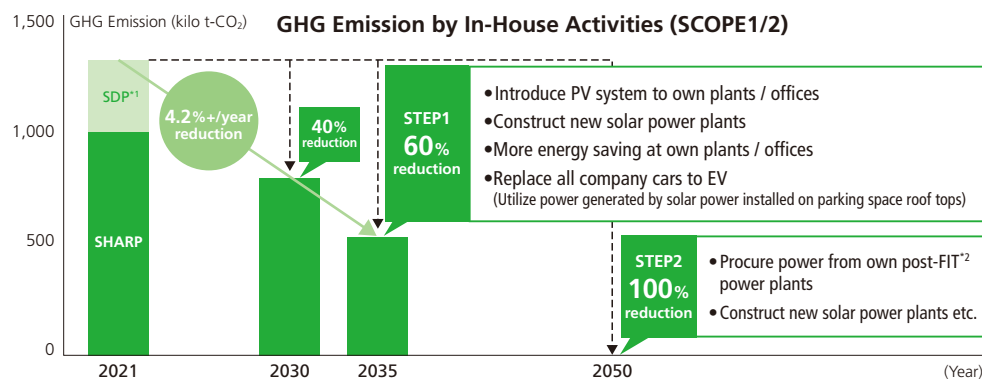
## (2) Contribute to carbon neutrality

Sharp is contributing to carbon neutrality by both reducing greenhouse gas (GHG) emissions through our own business activities and expanding renewable energy in society.

### ▶Reducing Greenhouse Gas Emissions through our own Business Activities

We are aiming for net zero CO<sub>2</sub> emissions of GHG from our own business activities by 2050 and a reduction of 60% by 2035 under our long-term environmental vision *SHARP Eco Vision 2050*.

To achieve this vision, we will accelerate the introduction of solar power (PV) systems and energy conservation in our plants and offices, construct new solar power plants, and replace company cars to EV.



\*1 Sakai Display Products Corporation

\*2 FIT (feed-in tariff): A system under which electric power companies purchase electricity generated from renewable energy sources for a fixed period at a fixed price. A graduated FIT refers to the expiration of the 10-year purchase period at a fixed price.

### ▶Expanding Renewable Energy in Society

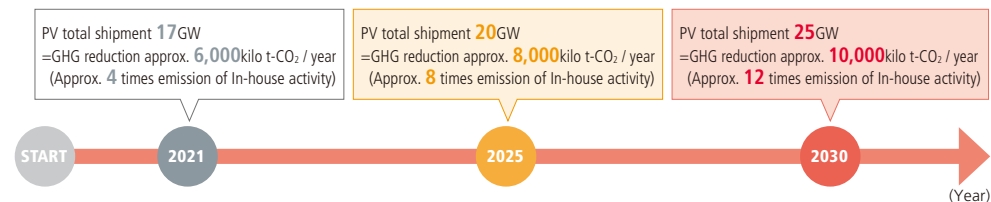
On the other hand, we will make efforts to reform and expand our energy solutions business in regard to renewable energy.

Tokuji Hayakawa, the founder of SHARP, began researching solar cells believing that "If we could devise a way to generate electricity from unlimited of heat and rays from the sun, there is no telling how much we could contribute to humanity." He successfully created a prototype in 1959 and began mass producing them by 1963. Over the next approximately 60 years, we led the market and worked to promote renewable energy.

Sharp's total PV system shipments were an approximately cumulative 17GW in 2021. This means we contributed to GHG reductions approximately four times the amount of GHG emissions than those of our own activities in a single year. Our goal is to increase this by approximately 12 times by 2030

through business expansions to space and automotive fields, expansions of the PPA\* business, and acceleration of the commercialization of solar batteries made from perovskite - a new material.

\* Abbreviation for Power Purchase Agreement. A method in which a power generation company enters into a power purchase agreement with a private individual or company.



## (3) HITO-based management

We believe that people(HITO) are the driving force for sustainable growth. Going forward, we will promote further reform in human resources from the four points of HITO - Hybrid, Innovation, Talent, and Opportunity.

We will foster a young and lively corporate culture by making efforts to evolve performance-based reward system to support young generation, establish work treatment system effective on collecting personnel, fulfill methods to support development of personnel, improve organization rejuvenation / decision-making speed, etc.

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

## Management Emphasizing on ESG

### (4) Becoming a true global company

To expand overseas business, Sharp will strengthen sales strategies in every area abroad as well as promote management reforms from a global perspective.

Toward this goal, we will engage in various measures, including strengthening training for global personnel and developing human resources management systems, while at the same time strengthening our overseas support functions of Headquarters, accelerating alliances and M&A with overseas companies, and strengthening corporate branding.

Moreover, we will promote global simultaneous introduction of new products with latest technology and strengthen local-adapting products and services to enhance our brand strength in each overseas region.

In July 2022, we also established an Global Business Group to unite representatives of each overseas region. President & CEO Robert Wu is in charge of this division, which will be a system that leads global business expansion.

Personnel	Organization / Function	Products / Services
<ul style="list-style-type: none"> <li>• Boost <b>English skills</b> of employees</li> <li>• Strengthen overseas <b>human resource management</b> and collect <b>excellent personnel</b></li> <li>• Global permeation of <b>corporate philosophy</b></li> </ul>	<ul style="list-style-type: none"> <li>• Strengthen overseas <b>support function</b> by Headquarter</li> <li>• Accelerate <b>alliance / M&amp;A with overseas companies</b></li> <li>• Strengthen <b>corporate branding</b> (Japan / overseas)</li> </ul>	<ul style="list-style-type: none"> <li>• <b>Global simultaneous introduction</b> of new products with latest technology</li> <li>• Strengthen <b>local-adapting</b> products / services development</li> </ul>

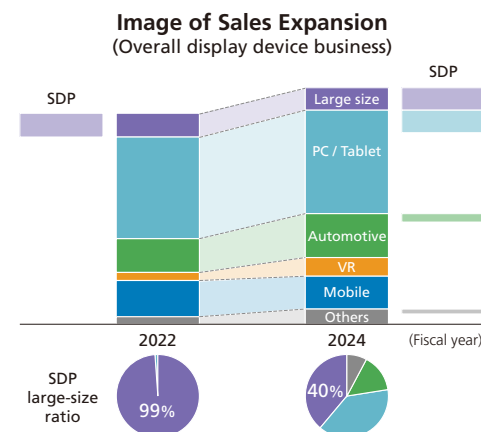
## Consolidating Sakai Display Products Corporation

The decision to make Sakai Display Products Corporation a wholly owned subsidiary was based on a comprehensive evaluation of the following factors: the stable and predominating procurement of high quality panels for TV business and professional display business and expansion of applications, improvement of production capacity, strengthening future competition in the display device business. In addition, the company boasts predominance in panel supplies for North America with the current U.S.-China trade frictions, and operates the only Gen.10+ large-size LCD panel plant outside of China.

Going forward, Sharp's display business will work to expand business focusing on panels for PCs, automobiles, and VR.

In addition, Sakai Display Products Corporation will improve profitability and stabilize business performance by leveraging their high technological and cost capabilities as well as their superiority in large-size panel production. They will specifically shift from TV panels for which demand fluctuates widely, to panels for PCs and automotive appliances.

In addition, they will actively work on developing new self-luminous display for the future.



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