

# Emphasis in Fiscal 2022

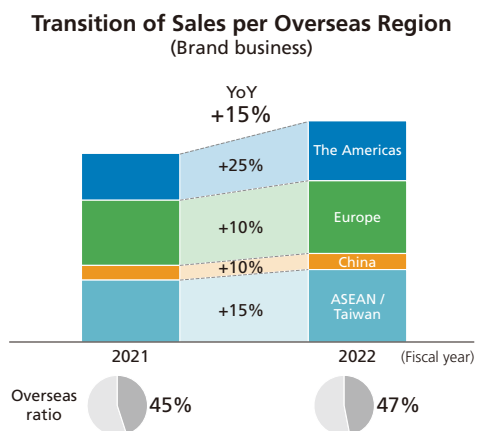


See the following for the latest information on business performance.  
<https://global.sharp/corporate/ir/library/financial/>

## (1) Strengthen overseas business

Sharp forecasts business growth mainly in the Americas, Europe, and ASEAN/Taiwan in fiscal 2022, and aims to reach 15% overall growth overseas compared to the previous fiscal year.

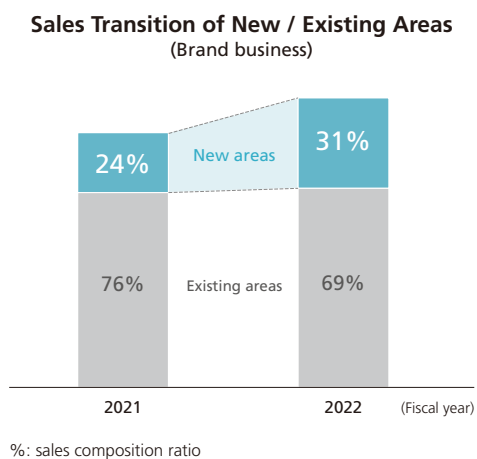
The 8K ecosystem, which is expected to see a steady recovery in the business solutions business, is particularly expected to lead growth in the Americas and Europe. On the other hand, smart life, which includes the white goods business, will contribute to business expansion in ASEAN/Taiwan.



## (2) Expand new areas

Sharp aims to grow its overall business by maintaining and strengthening existing businesses while expanding the sales composition of new areas.

We will specifically work on three areas: the development of new products and services, such as AIoT corresponding devices and AQUOS XLED, the development of new markets, for overseas business and EC channels, and the creation of new businesses such as solution business and new B2B businesses by alliance with other industries.



## (3) Risk correspondence

Supply chain disruptions such as shortages and rising costs of semiconductors, raw materials and components, as well as logistics confusion, are a major risk in the near term, and we will continue to work to minimize these impacts.

Although the supply and demand balance for memory is settling down and there are slight trends in improvement, in the shortages and rising costs of semiconductors, the situation remains severe. Thus, we are taking measures such as negotiating with the tops of semiconductor companies, diversifying procurement sources, and switching to alternatives.

For raw materials and components, steel prices have remained high level. With the trend of rising circuit board prices in the electronic components sector continuing or worsening, we are working to diversify procurement sources and switch to alternatives as well as to avoid shortages and soaring prices of parts from design changes.

We will also work to minimize the impact of logistical disruptions through flexible responses in coordination with our logistic subsidiaries.

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

\* Sharp Jusda Logistics Corporation