

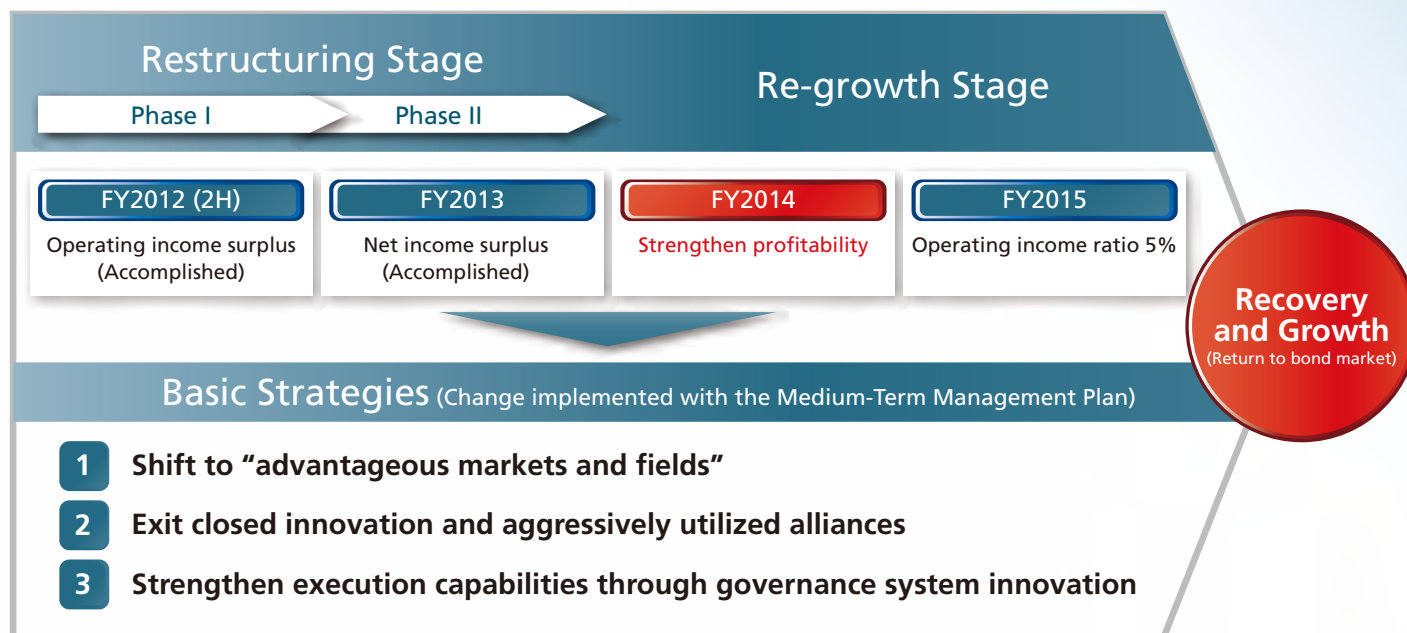
Presentation by the President

Progress Status of Medium-Term Management Plan

From Restructuring Stage to **Re-growth** Stage



Medium-Term Management Plan: Basic Strategies and Fiscal 2014 Objectives



Medium-Term Management Plan

Sharp announced its Medium-Term Management Plan in May 2013, positioning fiscal 2013 as the Restructuring Stage and fiscal 2014 and 2015 as the Re-growth Stage.

Sharp will achieve recovery and growth by following the three basic strategies described above.

Fiscal 2014 Objectives

In fiscal 2014, the first year of the Re-growth Stage, Sharp will target "strengthening profitability." Guided by the three basic strategies, we will also continue implementing the following five strategic measures to achieve our objectives.

Five Strategic Measures

- (1) Restructuring our business portfolio
- (2) Improving the profitability of our LCD business
- (3) Expanding overseas businesses focusing on the ASEAN market
- (4) Reducing fixed costs by reforming our cost structure
- (5) Improving our financial position

1

Restructuring our Business Portfolio

Product Business

Digital Information Equipment

- Narrow focus to businesses/regions with profit potential

Communication Systems

- Strengthen collaboration with mobile phone operators and create new businesses

Health and Environment Equipment

- Step up initiatives under new Asia-Pacific structure
- Introduce new category products to create new markets

Solar Cells

- Expedite shift to energy solution business (mega-solar design/procurement/construction, power generation, etc.)

Business Solutions

- Facilitate transformation to office solutions business with the core MFPs and display equipment products

Device Business

Display Devices (LCDs)

- Stabilize incoming orders by acquiring new customers and strengthening relations with major clients
- Improve earnings power by facilitating increase in small- and medium-size LCD production ratio at the Kameyama No. 2 Plant

Electronic Devices

- Focus on No.1 categories, such as camera modules and sensors

In the digital information equipment business, despite delays in improving the profitability of LCD TV business in Europe, Sharp achieved successes in parts such as improving the profitability of its blu-ray disc recorder business. We are continuing with structural reform.

In communication system business, Sharp maintained its position of the No. 1 Japanese manufacturer in the domestic mobile phone market by launching various products. These included the EDGEST model of smartphones with thin-bezel design features and smartphones with IGZO LCDs that lowered power consumption. Conditions in the domestic market are becoming more difficult amid progressing commoditization and other factors. In response, Sharp will strengthen collaboration with mobile phone operators to launch distinctive

devices, while developing new businesses.

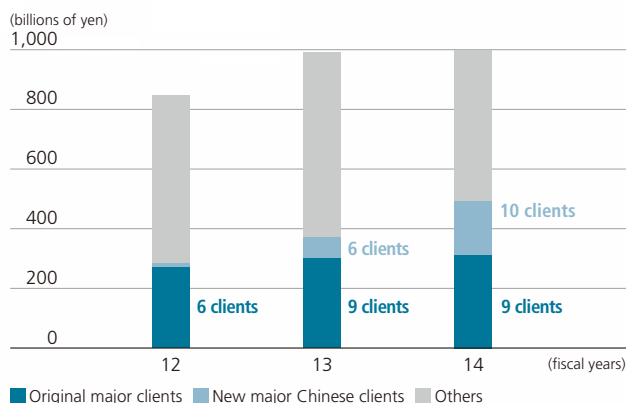
In solar cell business, Sharp ceased production in Europe and the U.S. and further reformed its value chain. We expect business conditions to continue changing, with declining demand in Japan stemming from falling power buyback prices, as well as decreasing prices in general. In response, we will expedite the transition into an energy solutions provider offering design, procurement, construction, power generation, and other services.

In electronic devices business, Sharp worked to expand its business centered on mainstay camera modules. We will further continue focusing on No. 1 categories while offering customers solutions with combinations of LCDs and electronic devices.

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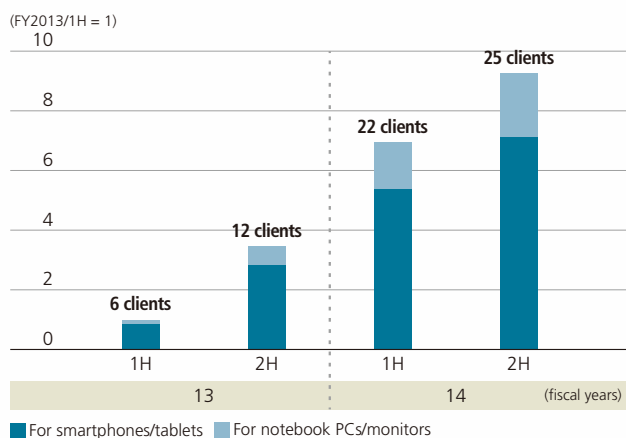
Improving the Profitability of our LCD Business

Sales of LCDs



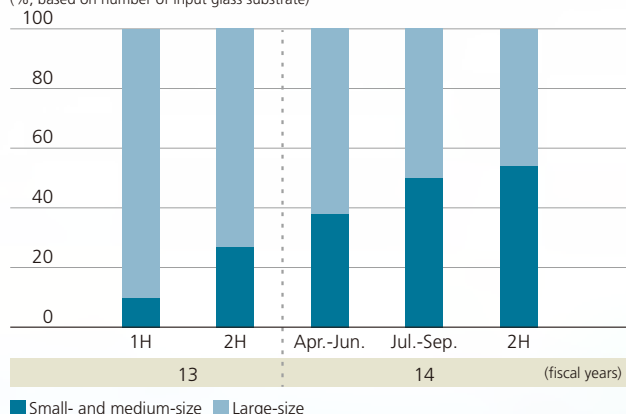
Sales* of IGZO LCDs

*Sales to outside customers



Kameyama No. 2 Plant: Small- and Medium-Size Production Ratio

(%, based on number of input glass substrate)



Strengthen Relations with Major Clients

Sharp is working to enhance earnings: we will acquire customers of rapidly growing smartphone manufactures in China, reinforce the relationships with existing major clients, and shift our emphasis to the high-value-added zone, such as high-resolution LCDs. Thanks to these efforts, sales of our IGZO LCDs are expanding, buoyed by an increasing number of users.

Raise Small- and Medium-Size LCD Production Ratio at the Kameyama No. 2 Plant

To address flourishing demand from major clients, Sharp is working to raise small- and medium-size LCD production ratio at the Kameyama No. 2 Plant. In this way, Sharp will increase sales per unit of panel area.





3

Expanding Overseas Businesses Focusing on the ASEAN Market

Asia	Position as the top-priority region and allocate resources accordingly
Middle East & Africa	The high-priority market after Asia; build solid business foundation and expand business, especially in Sub-Saharan region
China	Improve profitability by changing sales channel mix and product mix
Europe & the U.S.	Step up initiatives with high-earnings business model in IT services business and solutions business

In Asia, Sharp particularly put its efforts to expand businesses. We fast-tracked the opening of a new plant in Indonesia, and expanded and reinforced its sales networks in newly emerging countries, such as Myanmar and Sri Lanka. We also made concentrated efforts to expand business, including through sales promotion campaigns using Japanese animation characters.

We will continue concentrating business resources in Asia while building solid business foundations and expanding our business in the Middle East and Africa, especially the Sub-Saharan region. In China, we will take advantage of strong demand for air purifiers to continue adjusting our sales channel mix and product mix and thus increase profitability.

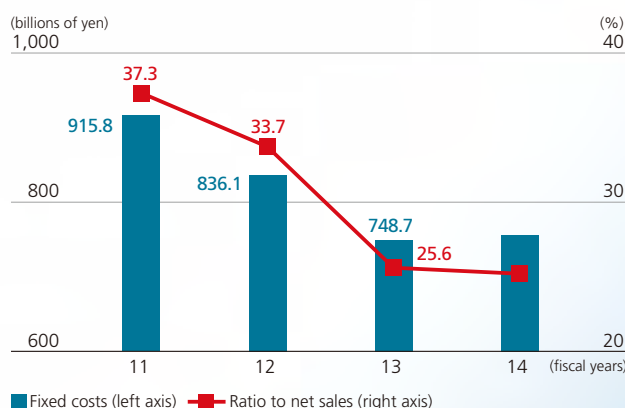
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Reducing Fixed Costs by Reforming our Cost Structure

By streamlining headquarters, lowering personnel expenses, reforming domestic and overseas operations, and working on other efforts, Sharp, in fiscal 2013, achieved a ¥167 billion fixed cost reduction from fiscal 2011.

In fiscal 2014, we will continue pursuing company-wide cost restructuring in order to reduce overall expenses.

Fixed Costs



From Restructuring Stage to
**Re-growth
Stage**

5

Improving our Financial Position

Inventories

Thanks to rigorous company-wide reduction efforts, inventories at the end of fiscal 2013 stood at ¥295.1 billion, or ¥15.5 billion lower than a year earlier. This equates to an inventory ratio against monthly turnover of 1.21 months, down from 1.50 months in the previous year. In fiscal 2014, we will continue improving the accuracy of production, sales, and inventory management in order to optimize inventory levels.

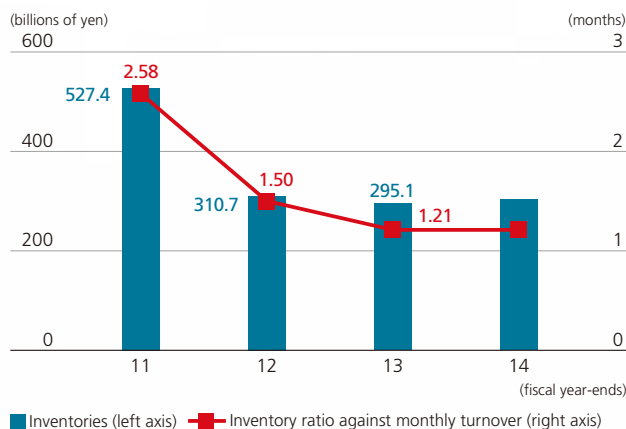
Capital Investment

In fiscal 2013, total capital investment was ¥49.4 billion, well below the initial target of ¥80.0 billion. Sharp achieved this reduction largely by limiting to outlays essential to production, such as molds and masks. We had also almost completed a round of investments to expand and streamline production at our LCD plants. In fiscal 2014, we will launch a new counteroffensive of investments in the Re-growth Stage of the Medium-Term Management Plan. This will entail strategic investments in LCD plants, as well as investments in development of new electronic devices.

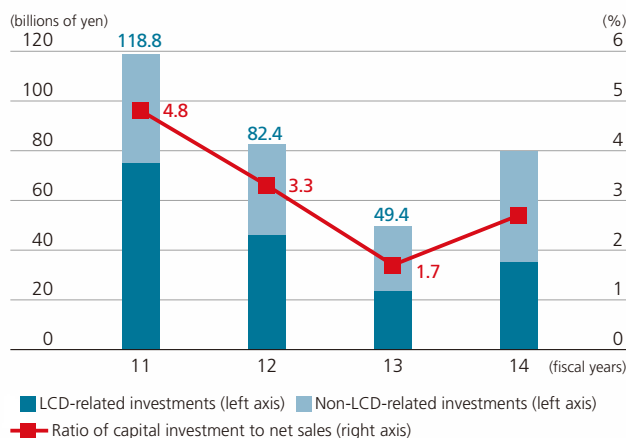
Interest-Bearing Debt

At the end of fiscal 2013, total interest-bearing debt stood at ¥1,093.5 billion, down ¥80.9 billion from a year earlier. The decline stemmed mainly from efforts to rationalize inventories and sell investment securities and other assets. Net interest-bearing debt (after deducting cash, time deposits and restricted cash) fell by ¥268.5 billion to ¥713.9 billion, owing largely to an increase in cash and cash equivalents accompanying a capital increase through public offering. Sharp will continue striving to improve cash flows and reduce interest-bearing debt.

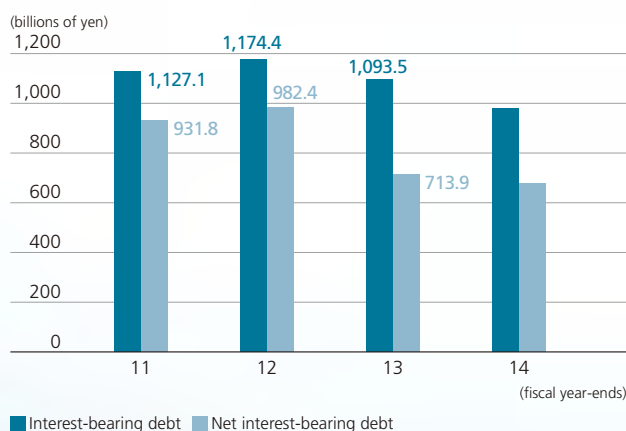
Inventories



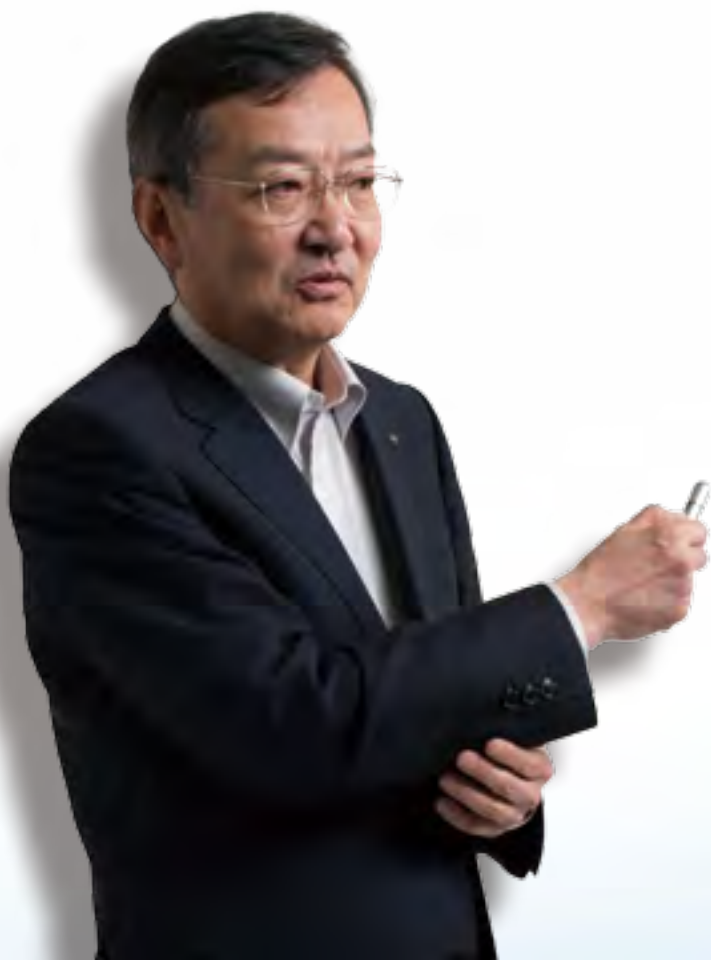
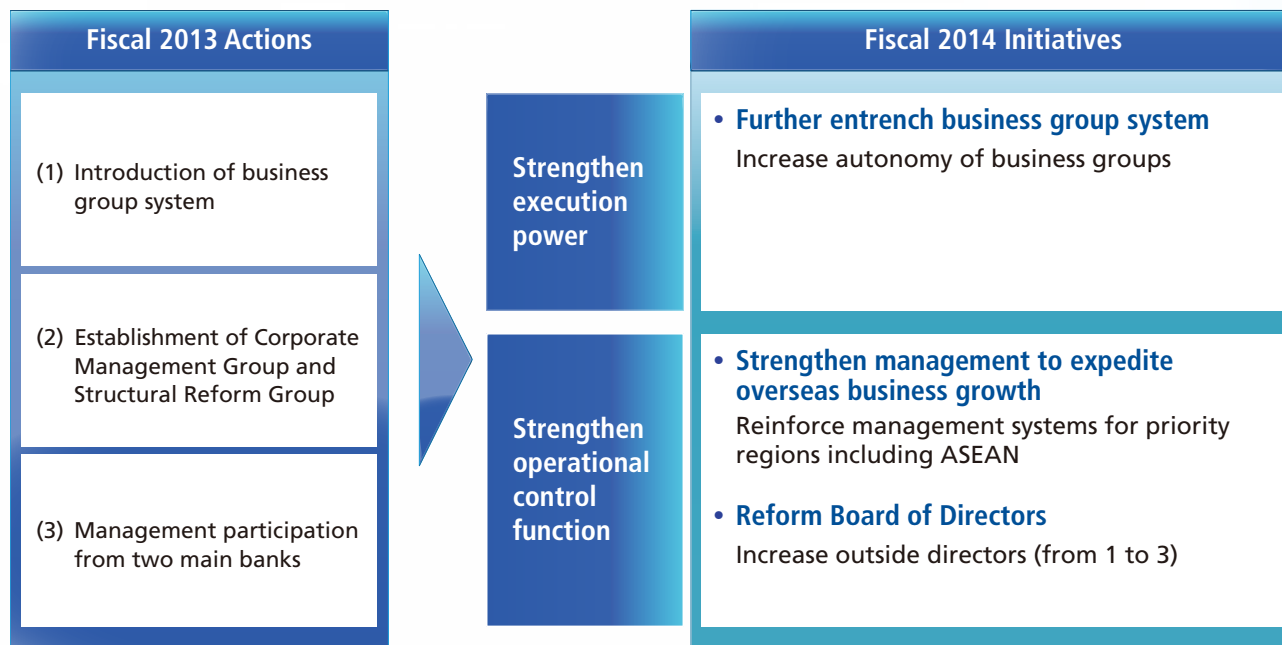
Capital Investment



Interest-Bearing Debt and Net Interest-Bearing Debt



To implement five strategic measures: Strengthening Corporate Governance



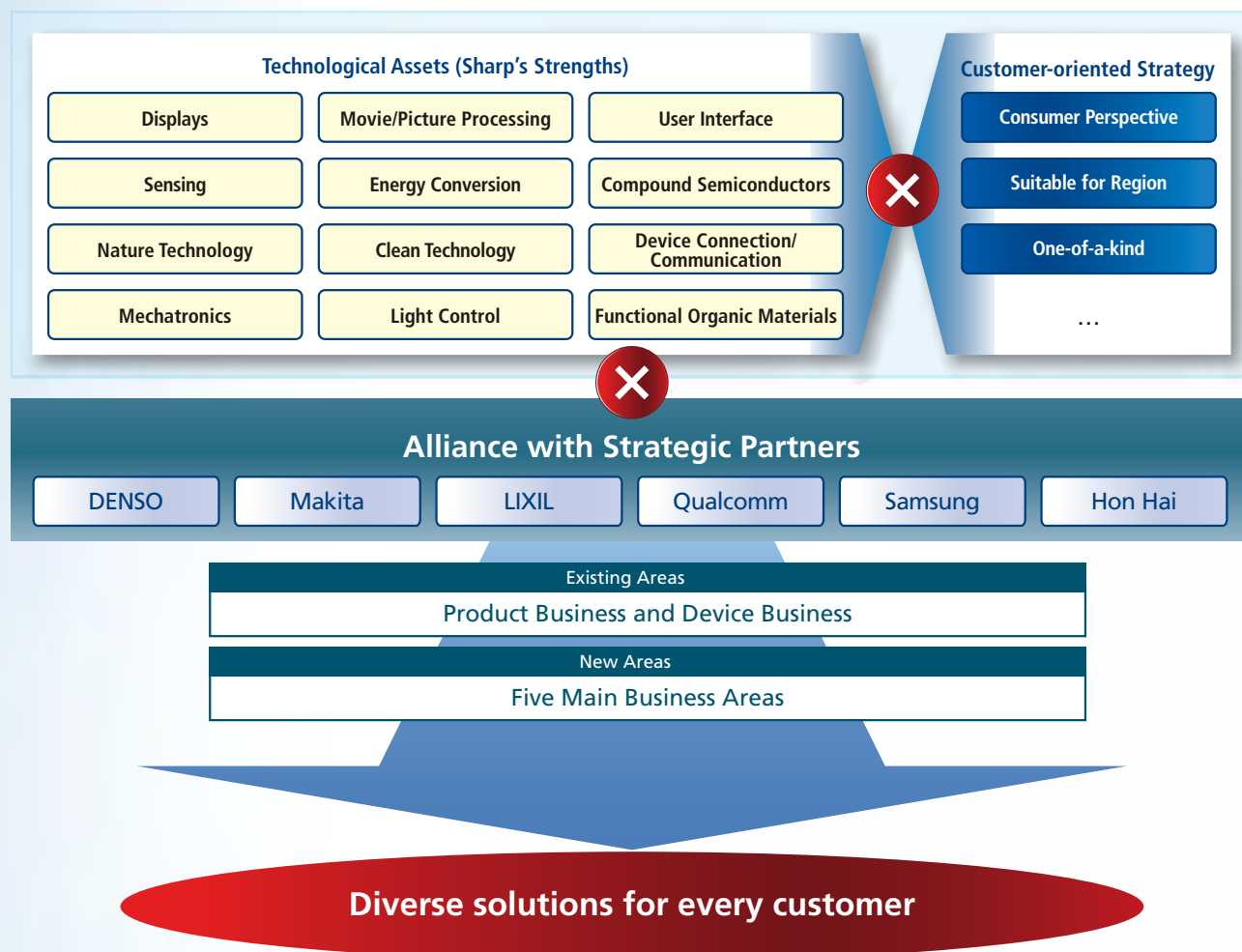
We will now discuss measures to strengthen corporate governance, which is essential to implementing the five strategic measures for achieving recovery and growth.

In fiscal 2013, Sharp focused on three vital actions: introduction of a business group system, establishment of Corporate Management Group and Structural Reform Group, and management participation from two main banks.

Through the year of operation, the new measures have achieved major results: product development, production, and sales are integrated under the business group system; the capability of processing structural reforms is secured; and decision making has become faster.

Key challenges for the future include raising the autonomy of business groups and reinforcing frameworks for overseas business expansion. In fiscal 2014, we will increase the number of outside directors while striving to strengthen our execution power and enhance the operational control function.

Towards Sustained Growth



Leveraging technological assets that constitute its strengths, Sharp adopts a rigorous customer-oriented approach to expand its existing businesses. By unleashing synergies between these assets and the sales channels and technologies of our business partners, we are working to broaden our presence in new fields.

We have identified five areas of focus: healthcare/medical services, robotics, smart home/mobility/office, safety and security of food/water/air, and education. In all of these areas, we have started reaping new business opportunities.

To foster these areas until future pillar of our operations, we established the New Business Development Division in

May 2013 and the Market Development Division in April 2014. These entities will spearhead actions to generate values and offer them to customers.

Rather than adopting a limited approach to its business fields, Sharp's important challenge is to deploy its vast array of distinctive technologies to realize new levels of potential.

Sharp will improve and enhance its existing businesses in such areas as consumer electronics, solar cells, and devices, while pursuing initiatives in new areas of focus. In these ways, we will continue refining our technologies based on the customer's perspective, in our quest to become a company that provides diverse solutions of "good life" to every customer.

Challenge for Change

Continuously embracing challenges



Presentation by the President