Agenda

I. Sharp Today

II. Role of the Medium-Term Management Plan

III. Medium-Term Business Growth Strategy

IV. New Governance Structure

V. Medium-Term Business Targets
I. Sharp Today

Current Status

**Strengths**
- Wide range of businesses
- Unique technologies
- Inventive products
- Innovative devices

**Weaknesses**
- Product lineup
- Generational upgrades of devices equipment
- Employees/resources to support global expansion

Business Opportunities

New Technologies

- Capturing New Markets by Using AIoT, 8K
  - Create new services through AI-based Advanced Data Analysis (voice/image, etc.) and IoT-based Device-Cloud Connectivity

8K Ecosystem
- Dramatic expansion of applicable fields for displays and related devices through advances in high resolution, new business opportunities

Higher Added-Value

Global Market

- Global Demand Approx. 220 million units FY2016
- TV Market Unit Sales Composition
- Small - and Medium- size Displays Market Unit Composition
- Global Demand Approx. 2,800 million units

Global Business Expansion Using technology and cost competitiveness

II. Role of the Medium-Term Management Plan

**Transformation**

People-Oriented IoT
8K Ecosystem

Next 100 Years
Sustained Growth

Survival
Structural Reform
1) Stronger business management
2) Stronger cost competitiveness
3) Prepare for growth

FY2016 FY2017 FY2018 FY2019 FY2020～
III. Medium-Term Business Growth Strategy - Business Domains

Setting four business domains and establishing two business strategy offices to expand business as One SHARP

- **Smart Homes**
  - Provide convenience and comfort through solutions that connect devices and services

- **Advance Display Systems**
  - Create advanced displays that enhance communications between devices and people

- **Smart Business Solutions**
  - Provide solutions that multiply productivity in office, factory, etc.

- **IoT Electronic Devices**
  - Create sensors and other feature-rich devices that support Smart Society

---

Basic Strategy

- **People-Oriented IoT; 8K Ecosystem**

- **Expand Business Globally**
  - Arena of Competition

- **Reinvent Business Model**
  - Business

- **Strengthen Business Infrastructure**
  - Operation

- **Three Transformations**

- **Strengthen Unique Technologies Comprehensively**

- **Reinforce Human Resources**
Business Domains

“Smart Home Business” providing AIoT platforms in addition to expanding AIoT hardware and services.

Smart Homes

Sharp Smart Town (tentative) Concept

~ Form Project Team, Finish Construction during 2021 ~

Nomura Real Estate Development

“Be Original.”
Redeveloping the Tanabe Bldg. property where Sharp was founded, embodying our motto, “Be Original.”

Cutting-Edge Smart Apartments
Combining Strengths of SHARP’s AIoT Technologies and Nomura Real Estate Development’s “create high quality residential properties”

Building Complex Incorporating Smart Office Concepts
New base for Sharp to attract talented professionals, to engage in leading-edge technology development, and to expand our global business

Smart Towns for More Abundant Living
Create new added value through connected Smart Homes and Smart Offices

Contribute to Our Hometown of Osaka
Consider new possibilities to contribute to the success of our hometown Osaka and Japanese society at large
Rally Around the One SHARP Concept, Leveraging Device Expertise for Group-Wide Business Growth and New Application Development

### Business Domains

**8K Ecosystem**
- Uniquely developed devices for creating 8K ecosystem
- • 8K CMOS image sensor and codec
- • 8K video processor and timing controller
- • 8K storage

**IoT**
- IoT devices for supporting safe, secure, healthy and comfortable life
- • Sensor (environment/human/distance)
- • Micro processing
- • Image processing

**Automotive**
- Contribute to the rapidly increasing evolution of automotive
- • ADAS (LiDAR/ToF /automotive camera /electric mirror)
- • R/G/B/IR laser

Semiconductor Technology
- Optoelectronics technology : laser / CIS,CCD / optical sensor
- Process technology : low on resistance / low cost (low mask) process / low defect / low power consumption / low noise / color filter / micro lens / global shutter

### IV. New Governance Structure

Transition to a company with Board with Audit and Supervisory Committee and reintroduce Executive Officer System for stronger supervision and prompt business execution

**Members of the Board (June 20*)**

- J. W. Tai
- Katsuaki Nomura
- Toshiaki Takayama
- Young Liu
- Hirokazu Nishiyama
- Chien-Erh Wang
- Hse-Tung Lu
- Nobuaki Kurumatani
- Yasuo Himeiwa

**Executive Officers (June 1)**

- J. W. Tai
  - President & CEO
- Katsuaki Nomura
  - Executive vice president
- Toshiaki Takayama
- Hirokazu Nishiyama*2
- Chien-Erh Wang*2
- Yoshihisa Ishida
  - Senior executive managing officer
- Yoshisuke Hasegawa
- Fujikazu Nakayama
  - Senior executive managing officer
- Masahiro Okitsu
  - Executive managing officer
- Yoshihiro Hashimoto
  - Executive managing officer
- Yumiko Ito
- Satoshi Sakakibara
  - Executive officer

*1 Require approval at the ordinary general meeting of shareholders of Sharp, etc. scheduled to be held on June 20
*2 To be appointed on June 20
V. Medium-Term Business Targets

One SHARP

FY2019 Corporate Targets
Net Sales: 3.25 trillion yen  Operating income: 150 billion yen

AIOt Business Strategy Office
8K Ecosystem Business Strategy Office

Smart Homes
FY2016 850.6 billion yen  FY2019 More than 1 trillion yen
• Expand AIOt-compatible devices/services
• Grow business by opening our AIOt platform

Smart Business Solutions
FY2016 317.7 billion yen  FY2019 More than 450.0 billion yen
• Grow Smart Office business by expanding office product and services
• Expand Smart Factory business

Advance Display Systems
FY2016 842.0 billion yen  FY2019 More than 1 trillion yen
• Create 8K display demand
• Early commercialization of new displays (FFD, OLED, etc.)
• Expand TV business overseas

IoT Electronic Devices
FY2016 413.6 billion yen  FY2019 More than 800.0 billion yen
• Focus on strengthening devices related to 8K Ecosystem, IoT, and Automotive
• Strengthen development, establish new client base for camera modules

Sales Targets

<table>
<thead>
<tr>
<th></th>
<th>FY2016</th>
<th>FY2019</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>550.6 billion yen</td>
<td>More than 1 trillion yen</td>
</tr>
<tr>
<td>Net Sales</td>
<td>317.7 billion yen</td>
<td>More than 450.0 billion yen</td>
</tr>
<tr>
<td>Operating income</td>
<td>842.0 billion yen</td>
<td>More than 1 trillion yen</td>
</tr>
<tr>
<td>Profit attributable to owners of parent (margin)</td>
<td>413.6 billion yen</td>
<td>More than 800.0 billion yen</td>
</tr>
</tbody>
</table>

Business Direction

FY2016  FY2019
AIoT Business Strategy Office
8K Ecosystem Business Strategy Office

V-shaped recovery

Targets by Fiscal Year

<table>
<thead>
<tr>
<th></th>
<th>FY2015</th>
<th>FY2016</th>
<th>FY2017</th>
<th>FY2018</th>
<th>FY2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating income (margin)</td>
<td>-6.6%</td>
<td>-10.4%</td>
<td>-1.2%</td>
<td>-2.4%</td>
<td>-3.6%</td>
</tr>
<tr>
<td>Profit attributable to owners of parent (margin)</td>
<td>-10.4%</td>
<td>-1.2%</td>
<td>-2.4%</td>
<td>-3.6%</td>
<td>-4.8%</td>
</tr>
</tbody>
</table>

FY2015  FY2016  FY2017  FY2018  FY2019
IoT Electronics Devices  Y2,461.5B  Y2,050.6B  Y2,510.0B  Y2,890.0B  Y3,250.0B
Advance Display Systems  Y2,050.6B  Y2,510.0B  Y2,890.0B  Y3,250.0B  Y3,630.0B
Smart Business Solutions  Y2,510.0B  Y2,890.0B  Y3,250.0B  Y3,630.0B  Y4,010.0B
Smart Homes  Y2,890.0B  Y3,250.0B  Y3,630.0B  Y4,010.0B  Y4,390.0B

## Consolidated Financial Results Forecast for FY2017

<table>
<thead>
<tr>
<th>(billion yen)</th>
<th>First Half</th>
<th>Second Half</th>
<th>Fiscal Year</th>
<th>Y on Y</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Net Sales</strong></td>
<td>1,100.0</td>
<td>1,410.0</td>
<td>2,510.0</td>
<td>+22.4%</td>
</tr>
<tr>
<td><strong>Operating Income</strong></td>
<td>37.0</td>
<td>53.0</td>
<td>90.0</td>
<td>+44.1%</td>
</tr>
<tr>
<td>(margin)</td>
<td>(3.4%)</td>
<td>(3.8%)</td>
<td>(3.6%)</td>
<td></td>
</tr>
<tr>
<td><strong>Profit attributable to</strong></td>
<td>25.0</td>
<td>34.0</td>
<td>59.0</td>
<td></td>
</tr>
<tr>
<td>owners of parent**</td>
<td>(2.3%)</td>
<td>(2.4%)</td>
<td>(2.4%)</td>
<td>-</td>
</tr>
<tr>
<td>(margin)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Changing the World With 8K and AIoT**