I. Overview
II. Policies for Key Businesses in FY2006
1. LCD TVs and Large-size LCDs
“Sharp to change all CRT TVs to LCD TVs in Japan by 2005”

Almost achieved at the end of 2004
TV Demand (Japan)

<table>
<thead>
<tr>
<th></th>
<th>FY2005</th>
<th>FY2006</th>
</tr>
</thead>
<tbody>
<tr>
<td>PDP TVs</td>
<td>4.20</td>
<td>0.48</td>
</tr>
<tr>
<td>CRT TVs</td>
<td>3.64</td>
<td>2.30</td>
</tr>
<tr>
<td>LCD TVs</td>
<td>4.20</td>
<td>5.70</td>
</tr>
</tbody>
</table>

(Source: Sharp)
TV Demand (Worldwide)

TV Demand (Worldwide)

Millions of units

FY2005

160

5

130

20

FY2006

172

5

123

36

(Source: Sharp)
“Truly the world’s No.1 LCD manufacturer”
Sharp LCD TV Sales (forecast)

FY2005  4 million units(+47.1%)
FY2006  6 million units(+50.0%)
## Large-size LCD Panel Production Capability

### 1. Kameyama No.1 Plant
Capacity Enhancement

<table>
<thead>
<tr>
<th>Substrate input</th>
<th>Apr. 2005</th>
<th>45,000 sheets per month</th>
</tr>
</thead>
<tbody>
<tr>
<td>Oct. 2005</td>
<td></td>
<td>51,000 sheets per month</td>
</tr>
<tr>
<td>Mar. 2006</td>
<td>60,000 sheets per month</td>
<td>+33%</td>
</tr>
</tbody>
</table>

Investment: 15 billion yen
Large-size LCD Panel Production Capability

2. Kameyama No.2 Plant

A. 8G substrate (2,160 x 2,400 mm)
   Best suited for panel production
   for LCD TVs of 40 inches and 50 inches

B. Innovation of production process
   and revolution in LCD materials
   Color filter with inkjet method etc.

Making LCDs cost-competitive with PDPs
Large-size LCD Panel Production Capability

Kameyama No.1 and No.2 Plant

Kameyama No.1 Plant: suitable for 30 inches

Kameyama No.2 Plant: suitable for 40 inches and 50 inches

Establishing a production capability for any size of large-size LCDs
Large-size LCD Panel Production Capability

3. Kameyama No.2 Plant
Capacity Enhancement (The Second Phase)

2005 Press Meeting
Increase substrate input
from 15,000 sheets per month to 30,000 in 2007

Advanced scheduled increase date: March 2007 (the end of FY2006)
4. Globalization of AQUOS
   - Production and Sales -

   1. Worldwide AQUOS production at 5 global bases

   2. Locally oriented design and development

   3. Simultaneous introduction of AQUOS with panels made in Kameyama No.2 plant
2. Mobile Phones and System LCDs
New Services for Mobile Phones in Japan Starting in 2006

Apr. 2006
Terrestrial Digital Broadcasting for Mobile

Nov. 2006
Mobile Number Portability
Expanding Mobile Phone Business

1. Create one-of-a-kind products corresponding to new services in Japan

2. Supply to 3 Japanese carriers

3. Focus on 3G overseas. Creating one-of-a-kind products best suited to the overseas market
Sharp Mobile Phone Sales (forecast)

FY2005  11 million units(+10.2%)
FY2006  13 million units(+18.2%)
Shift from Amorphous Silicon LCDs to System LCDs

- System LCDs (Current type)
- System LCDs (Amorphous-compatible type)
- Amorphous silicon LCDs

- Monolithic driver
- analog I/F
- User system
- digital I/F
- User system
- digital I/F
- User system
- Driver IC (COG)

- same size
- same I/F
- add a new type
Sharp System LCD Sales (forecast)

FY2005  220 billion yen(+17.6%)

FY2006  260 billion yen(+18.2%)
Sharp LCD Sales (forecast)

FY2005  830 billion yen(+15.3%)
FY2006  980 billion yen(+18.1%)
3. Photovoltaic Power Systems
Photovoltaic Power System Demand (Worldwide)

MW

<table>
<thead>
<tr>
<th>Year</th>
<th>Demand (MW)</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY2004</td>
<td>867</td>
</tr>
<tr>
<td>FY2005 (Forecast)</td>
<td>1,000</td>
</tr>
<tr>
<td>FY2006 (Forecast)</td>
<td>1,250</td>
</tr>
</tbody>
</table>

(Source: Sharp)
Reduction of Generation Cost

- **Current Generation Cost (Solar)**: 47 yen/kWh
- **Rate for Household (Grid)**: 23 yen/kWh (2010)
- **Rate for Industry (Grid)**: 14 yen/kWh (2020)
- **Generation Cost (Thermal)**: 7 yen/kWh (2030)

*Japanese average
Sharp Solar Cell Production Capacity

MW/year

< Katsuragi Plant >

Sharp Solar Cell Sales (forecast)

FY2005  150 billion yen(+27.7%)
FY2006  200 billion yen(+33.3%)
III. Sales Target and Capital Investment for FY2006
Sharp Net Sales Target
[ FY2006 ]
3 trillion yen (record high)
FY2006 Capital Investment
275 billion yen (forecast)

For LCDs : 190 billion yen (forecast)