Keywords for Personal Consumption

**Baby Boomers**

- Spend for daily enjoyment
- Spend for preparation for the future

「極・楽・備」

- Quality
- Pleasure
- Preparation

**Second-generation Baby Boomers**

- Spend for a more convenient life

「軽・薄・探・省」

- Small
- Thin
- Search
- Saving
I. Policies for Key Businesses in FY2007
1. LCD TVs and Large-size LCDs
1. LCD TVs and Large-size LCDs

**LCD TV Demand (Worldwide)**

- **FY2005**: 23.6 million units (Under 40 inches 12%)
- **FY2006 (Forecast)**: 45.0 million units (Under 40 inches 12%)
- **FY2007 (Forecast)**: 68.0 million units (40 inches and larger 20%)

*(Source: Sharp)*

**Note:** The demand is forecast to increase by 50% from FY2006 to FY2007.
The world’s largest 108-inch LCD TV
1) Sharp FY2007 LCD TV Sales Target

- FY2005: 4.0 million units
  - Under 40 inches
  - 40 inches and larger: 12%

- FY2006 (Forecast): 6.0 million units
  - Under 40 inches
  - 40 inches and larger: +50%

- FY2007 (Target): 9.0 million units
  - Under 40 inches
  - 40 inches and larger: 40%
2) Capacity Enhancement at Kameyama No.2 Plant

<table>
<thead>
<tr>
<th>Phase</th>
<th>Capacity</th>
</tr>
</thead>
<tbody>
<tr>
<td>First Phase</td>
<td>15,000 sheets / month Aug. 2006</td>
</tr>
<tr>
<td>Second Phase</td>
<td>30,000 sheets / month Jan. 2007</td>
</tr>
<tr>
<td>Third Phase</td>
<td>60,000 sheets / month Jul. 2007 (Plan)</td>
</tr>
</tbody>
</table>
3) Integrated production at 5 global bases

- Poland
- China
- Japan
- Malaysia
- Mexico
1. LCD TVs and Large-size LCDs

3) Integrated production at 5 global bases

**European Market**

**Poland plant**

Enhancement of LCD module production capacity

- Jan. 2007: 100 thousand units / month
- End of 2007: 300 thousand units / month

Integrated production of LCD modules and TV sets scheduled for Jul. 2007
1. LCD TVs and Large-size LCDs

3) Integrated production at 5 global bases

North American Market

Mexico plant

Construction of No.2 plant for integrated production of LCD modules and TV sets scheduled for Jul. 2007
1. LCD TVs and Large-size LCDs

3) Integrated production at 5 global bases

Kameyama plant

Poland plant

Mexico plant

Simultaneous launch in Jul. 2007
1. LCD TVs and Large-size LCDs

Sharp FY2007 Overseas LCD TV Sales Target

Millions of units

- **FY2005**: 4.0 units (Japan) + 2.4 units (Overseas)
- **FY2006 (Forecast)**: 6.0 units (Japan) + 3.2 units (Overseas)
- **FY2007 (Target)**: 9.0 units (Japan) + 5.8 units (Overseas)
4) Sharp FY2007 LCD Sales Target

Billions of yen

*LCD device only

<table>
<thead>
<tr>
<th>Year</th>
<th>Forecast</th>
<th>Target</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY2005</td>
<td>857.5</td>
<td></td>
</tr>
<tr>
<td>FY2006</td>
<td>1,030.0</td>
<td>+17%</td>
</tr>
<tr>
<td>FY2007</td>
<td>1,200.0</td>
<td></td>
</tr>
</tbody>
</table>

*Forecast: 1,030.0 billion yen, Target: 1,200.0 billion yen, +17% increase.*
2. Photovoltaic Power Generation Systems
2. Photovoltaic Power Generation Systems

1) Sharp FY2007 Solar Cell Sales Target

Billions of yen

FY2005: 158.0
FY2006 (Forecast): 200.0 (+18%)
FY2007 (Target): 235.0

(From the image): Sharp FY2007 Solar Cell Sales Target
2. Photovoltaic Power Generation Systems

2) Capacity Enhancement at Katsuragi Plant and Stable Procurement of Raw Materials

**Capacity Enhancement**

**Production Capacity at Katsuragi Plant**

Enhance annual production capacity from 600MW to **710MW (+110MW)** in Mar. 2007
2) Capacity Enhancement at Katsuragi Plant and Stable Procurement of Raw Materials

- **Stable Procurement of Raw Materials**
  1. Long-term agreement on wafers with material manufacturers
  2. Start of in-house production of silicon materials in Toyama Prefecture
Ⅱ. Net Sales Target and Capital Investment for FY2007
FY2007 Net Sales Target

Billions of yen

- FY2005: 2,797.1
- FY2006 (Forecast): 3,000.0
- FY2007 (Target): 3,300.0

+10% growth from FY2006 to FY2007.
FY2007 Capital Investment (Plan)

Total: Approx. 300 billion yen

For LCDs: 200 billion yen
For solar cells: 10 billion yen
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(2) Sudden, rapid fluctuations in demand for Sharp’s products and services, as well as intense price competition
(3) Changes in exchange rates (particularly between the yen and the U.S. dollar, the euro and other currencies)
(4) Sharp’s ability to respond to rapid technological changes and changing consumer preferences with timely and cost-effective introductions of new products and services
(5) Regulations such as trade restrictions in other countries