



SHARP
Business Strategy
2004

President
Katsuhiko Machida

February 18, 2004

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Integrated LCD TV Plant Goes On Line

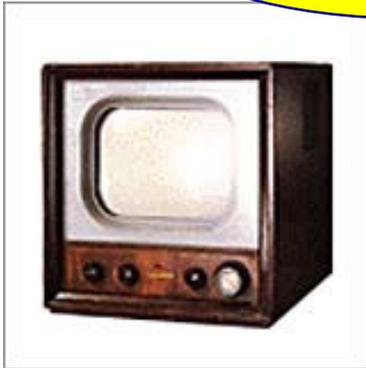
Jan. 2004

Kameyama Plant

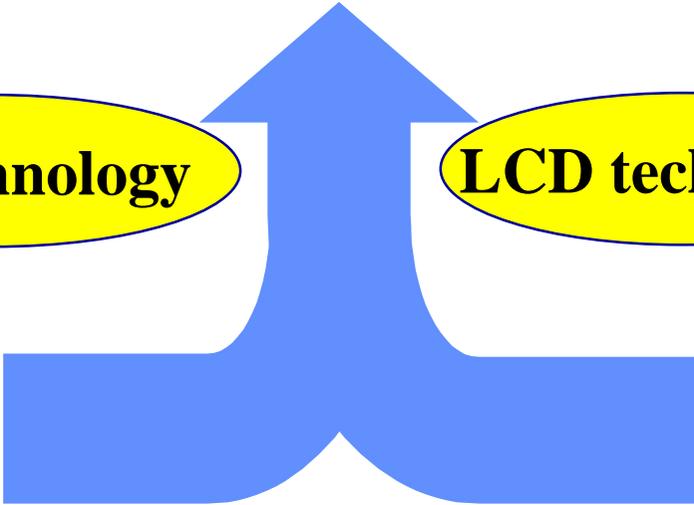


TV technology

LCD technology



1953: Japan's first TV



1973: World's first calculator with an LCD display

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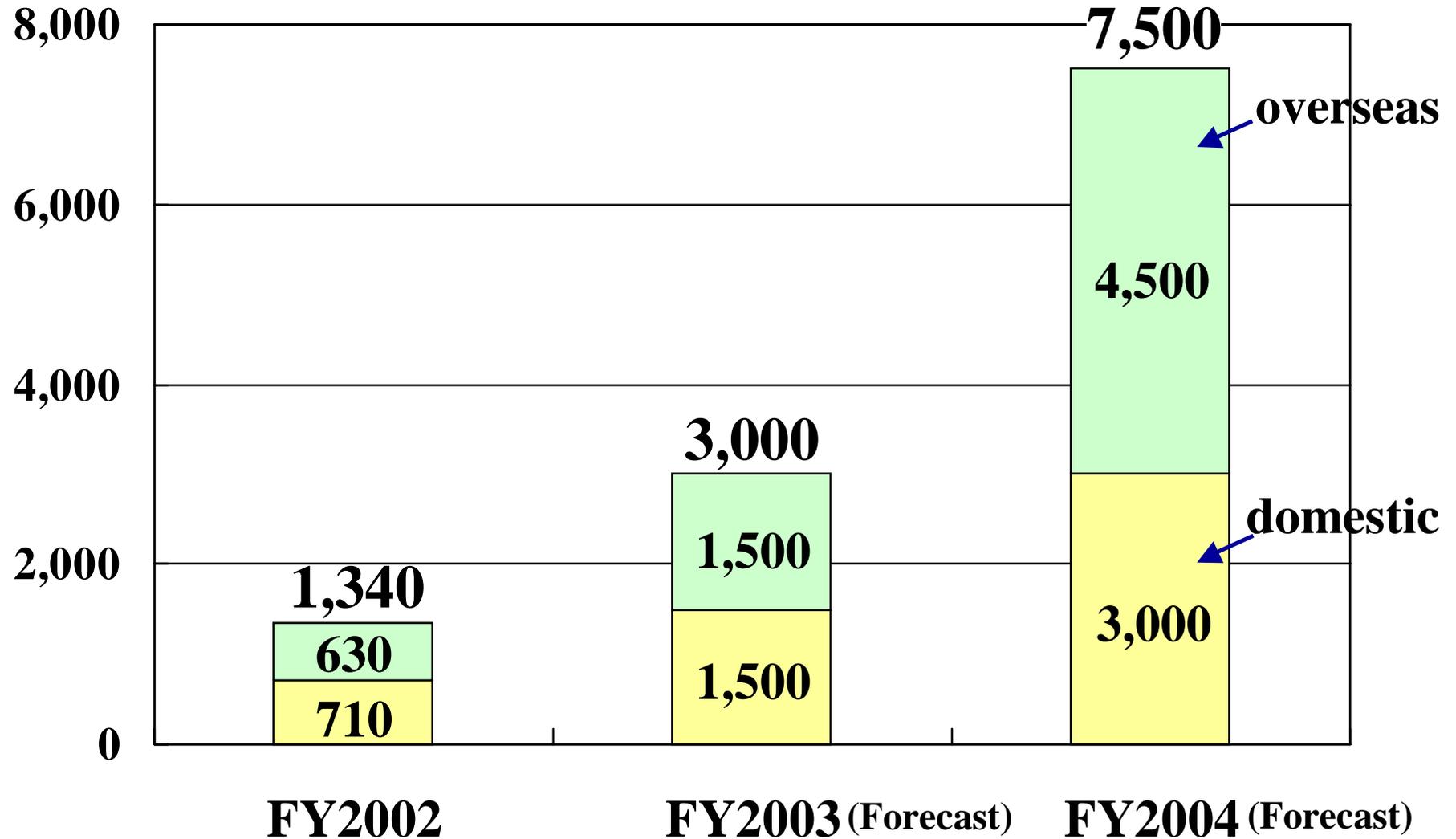
I. Business Strategy

Product Business

1. LCD TVs

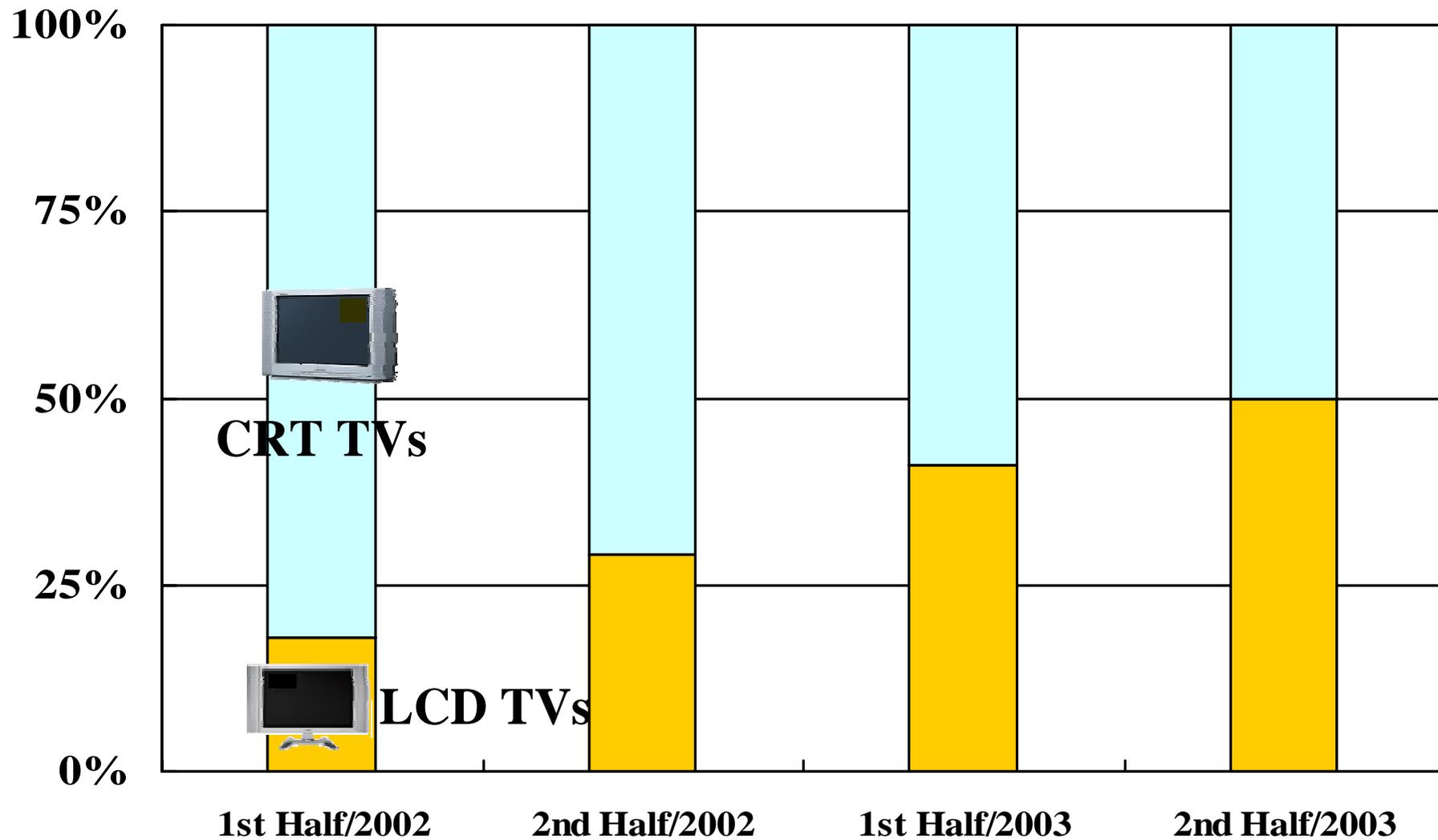
(Industry) Worldwide LCD TV Demand

Thousands of units



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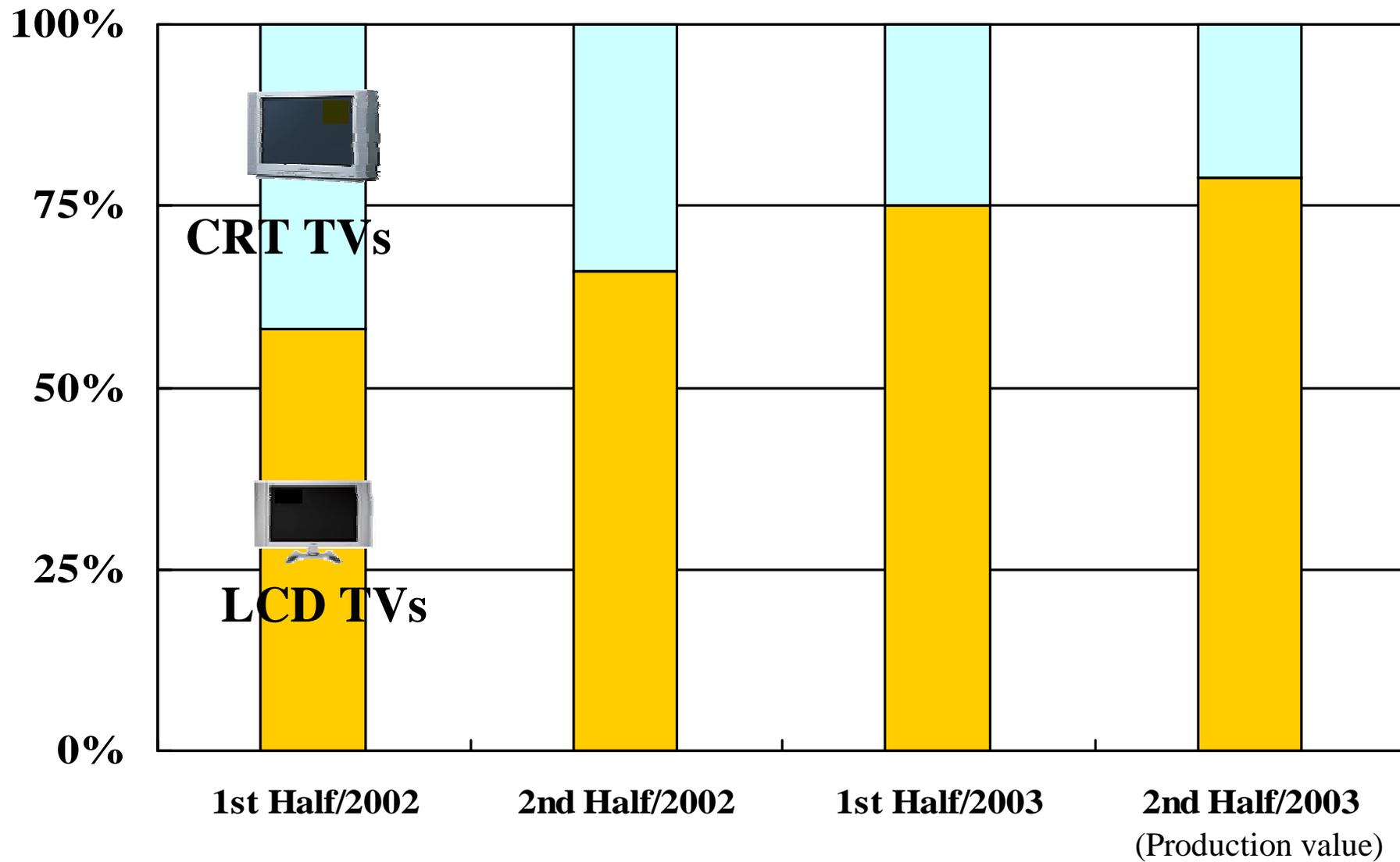
LCD TV Sales as % of Sharp's Total Overseas TV Sales



(Production value)

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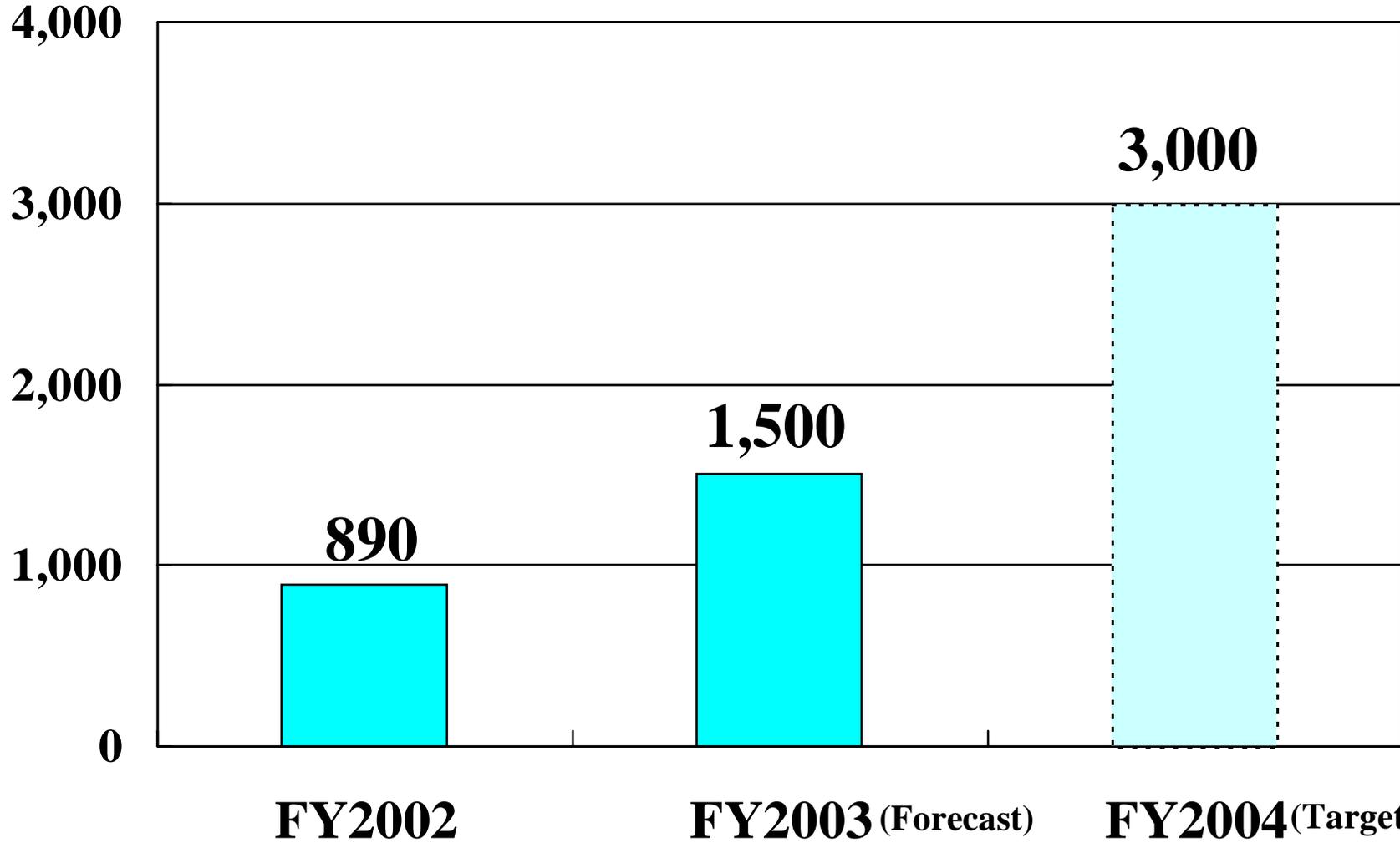
LCD TV Sales as % of Sharp's Total Domestic TV Sales



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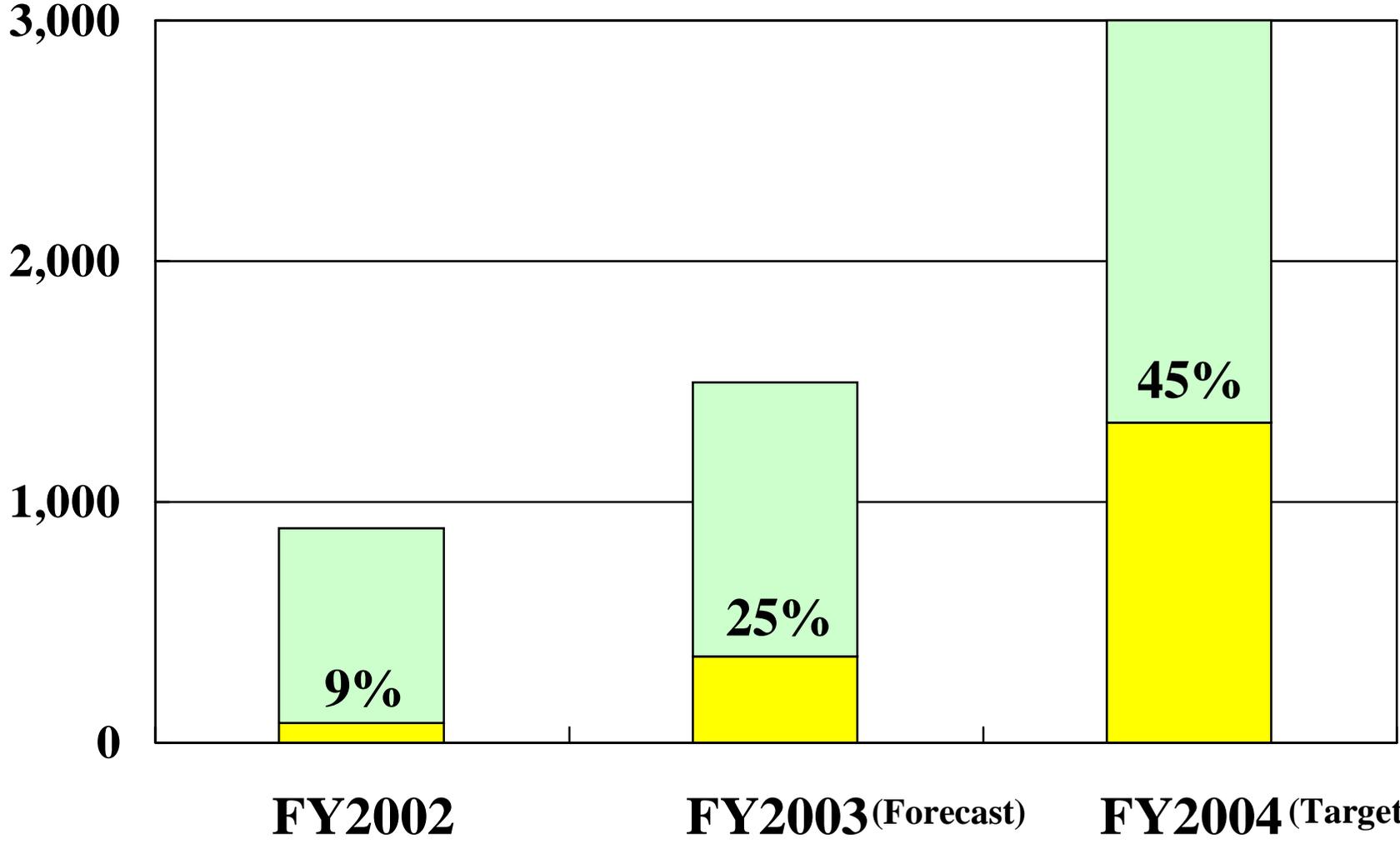
Sharp's LCD TV Unit Sales

Thousands of units



Wide-screen LCD TV over 22 inches as % of Sharp's Total LCD TV Sales

Thousands of units



Sharp's LCD TV Cost Competitiveness

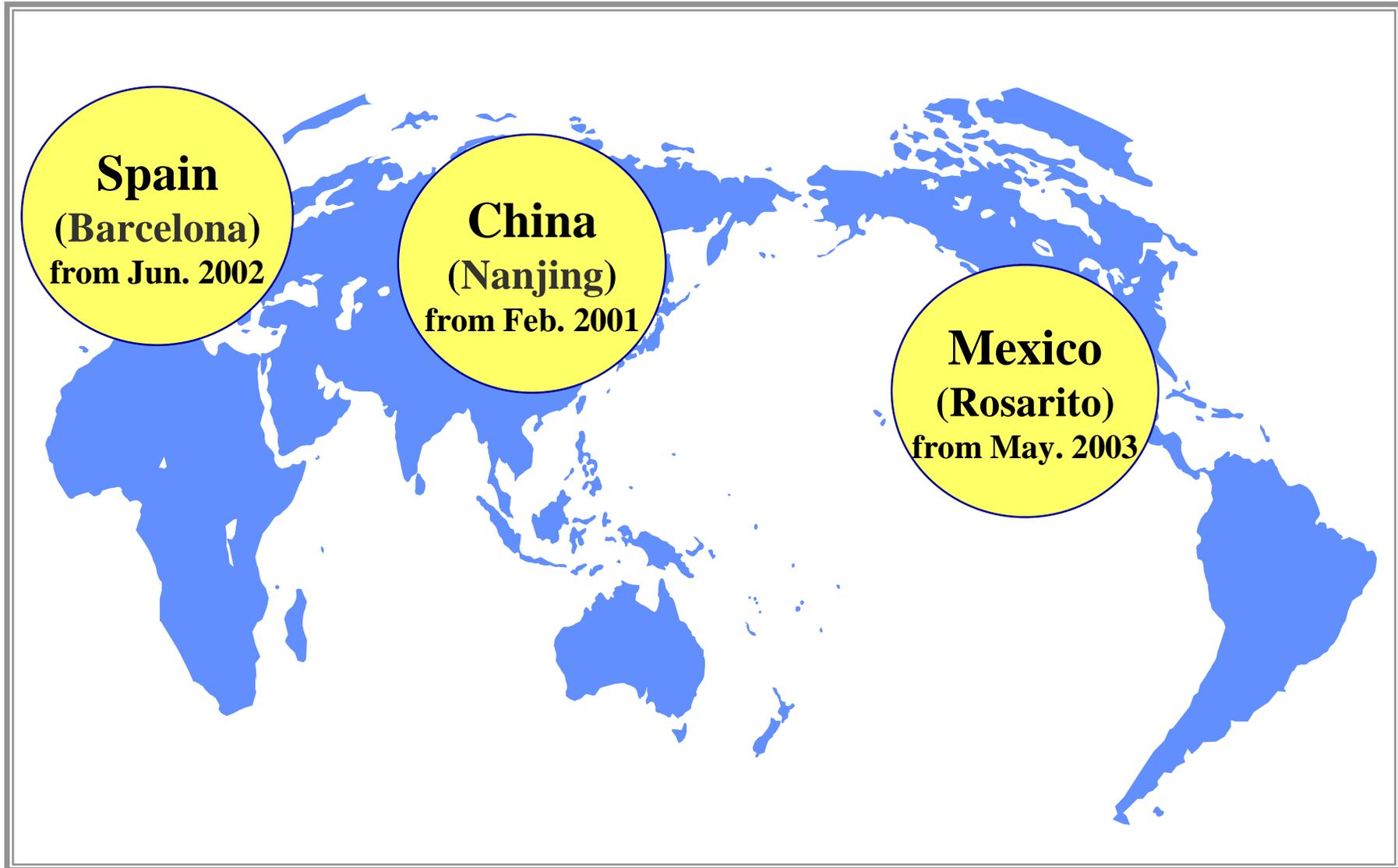
6th generation mother glass (1,500 x 1,800mm)

**Simplify manufacturing process at the unified production site
(from LCD panels to TV sets)**

Reduce panel transportation costs at the unified production site

Develop image processing LSI for LCD TVs

Sharp's Overseas LCD TV Production

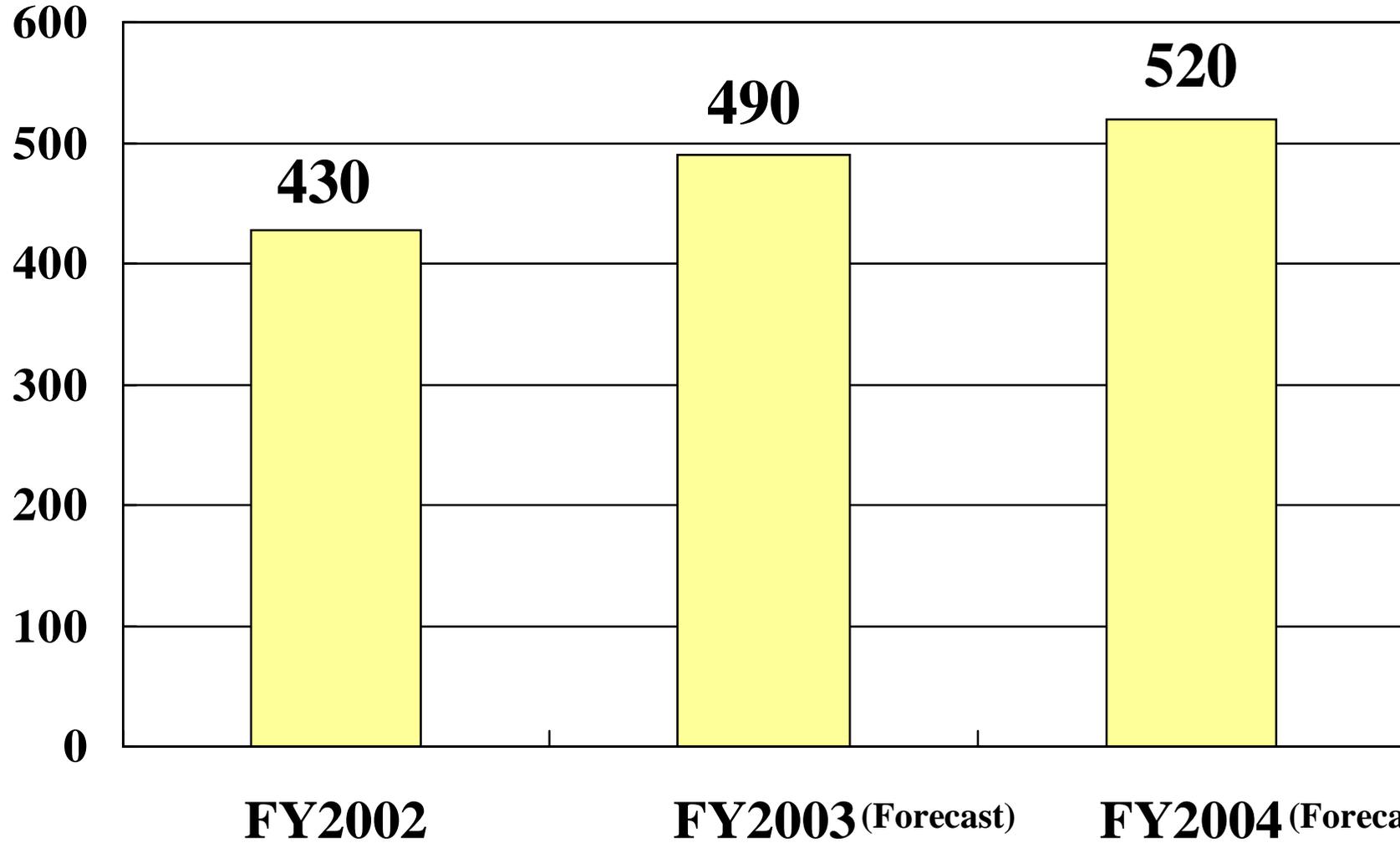


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2. Mobile Phones

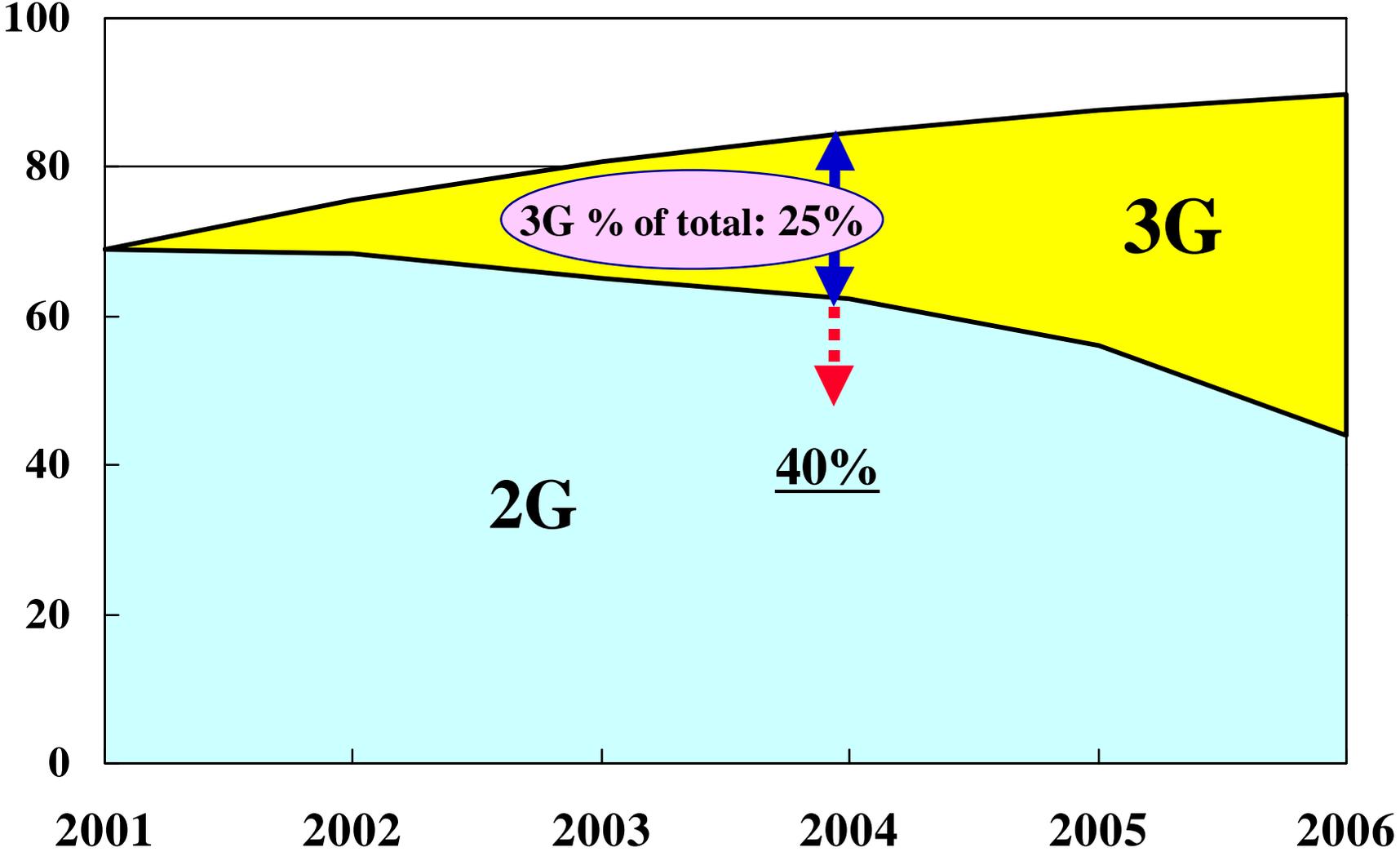
(Industry) Worldwide Mobile Phone Demand

Millions of units



(Industry) Mobile Phone Subscribers* by System In Japan

In millions



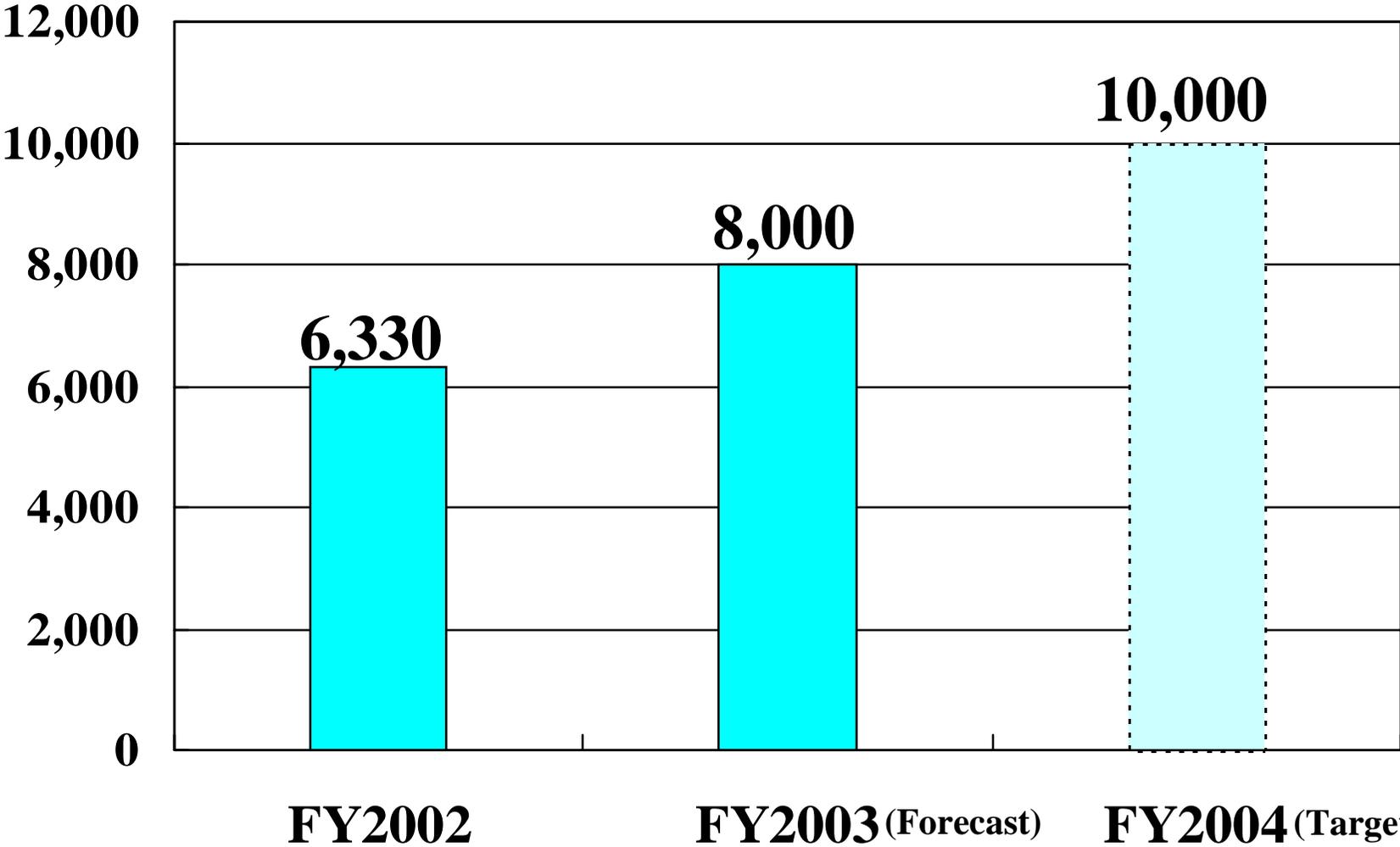
*Accumulating total

Source: Sharp estimate



Sharp's Mobile Phone Unit Sales

Thousands of units



Sharp's New 3G Mobile Phones

NTT DoCoMo



SH900i

Compatible with FOMA, which offers users a variety of contents

2.02 Megapixel CCD camera

Vodafone



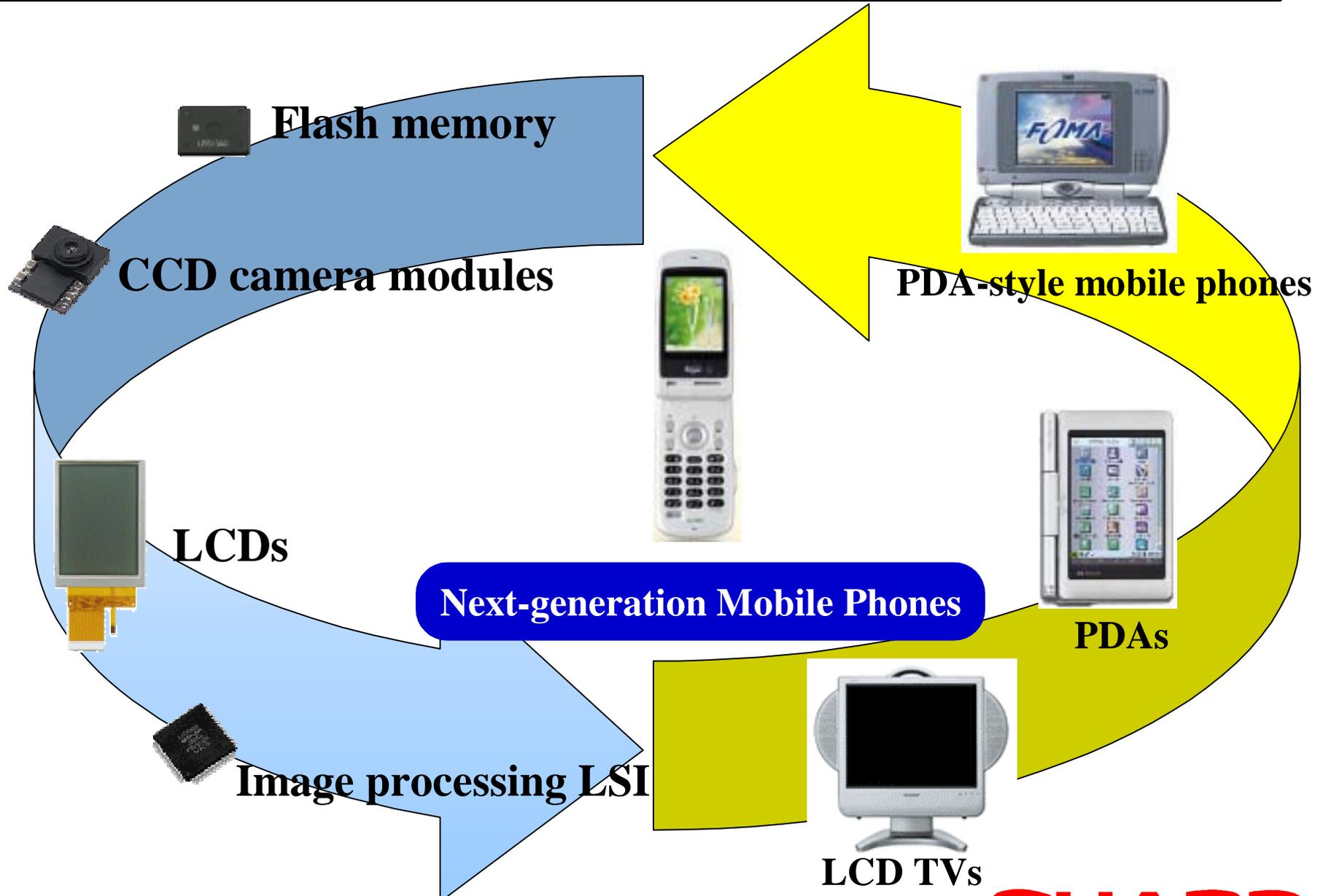
V801SH

Customers can easily send off Megapixel pictures

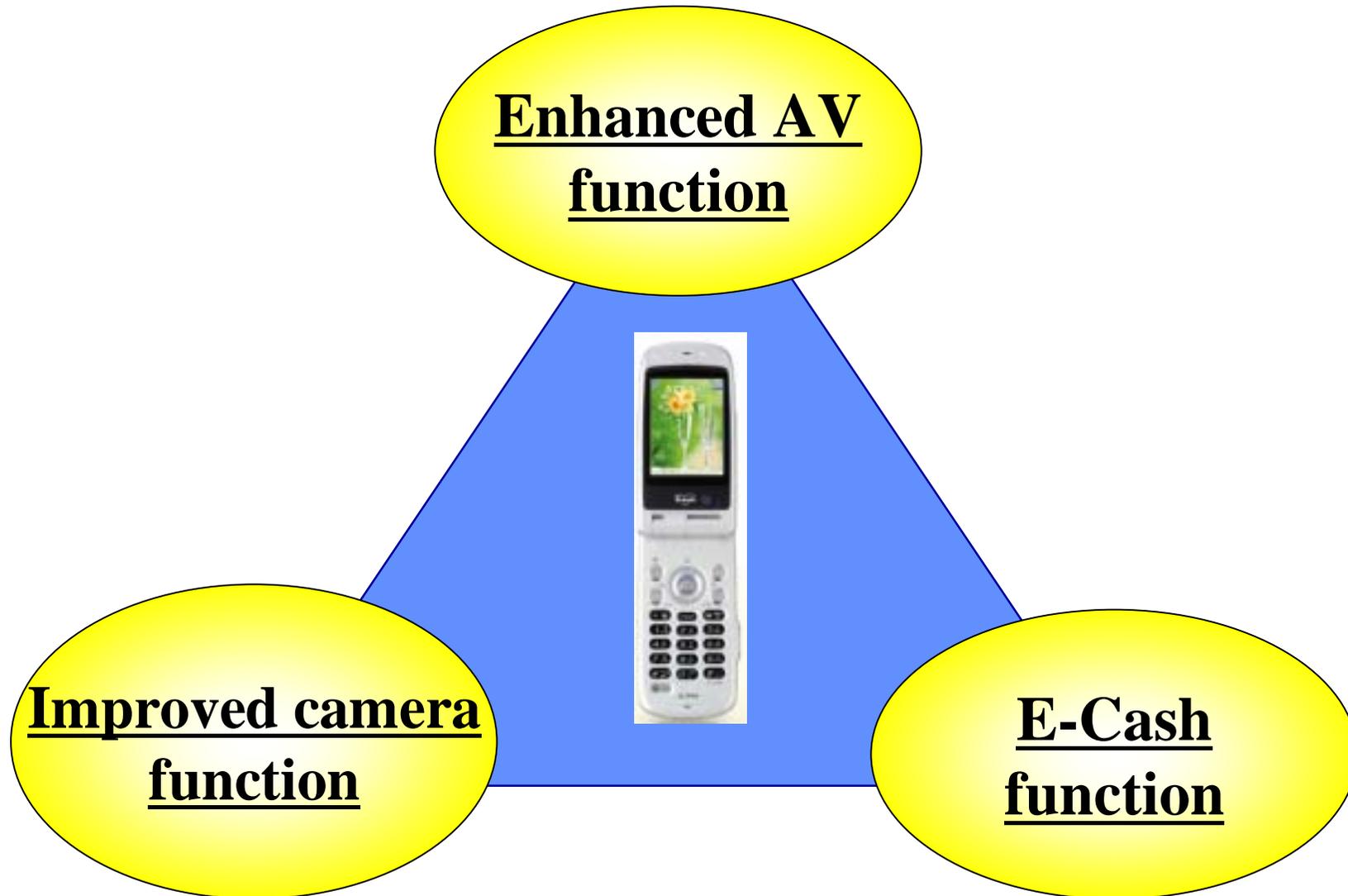
W-CDMA/GSM-compatible

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Sharp's 'Spiral Strategy' to Create Unique Mobile Phones

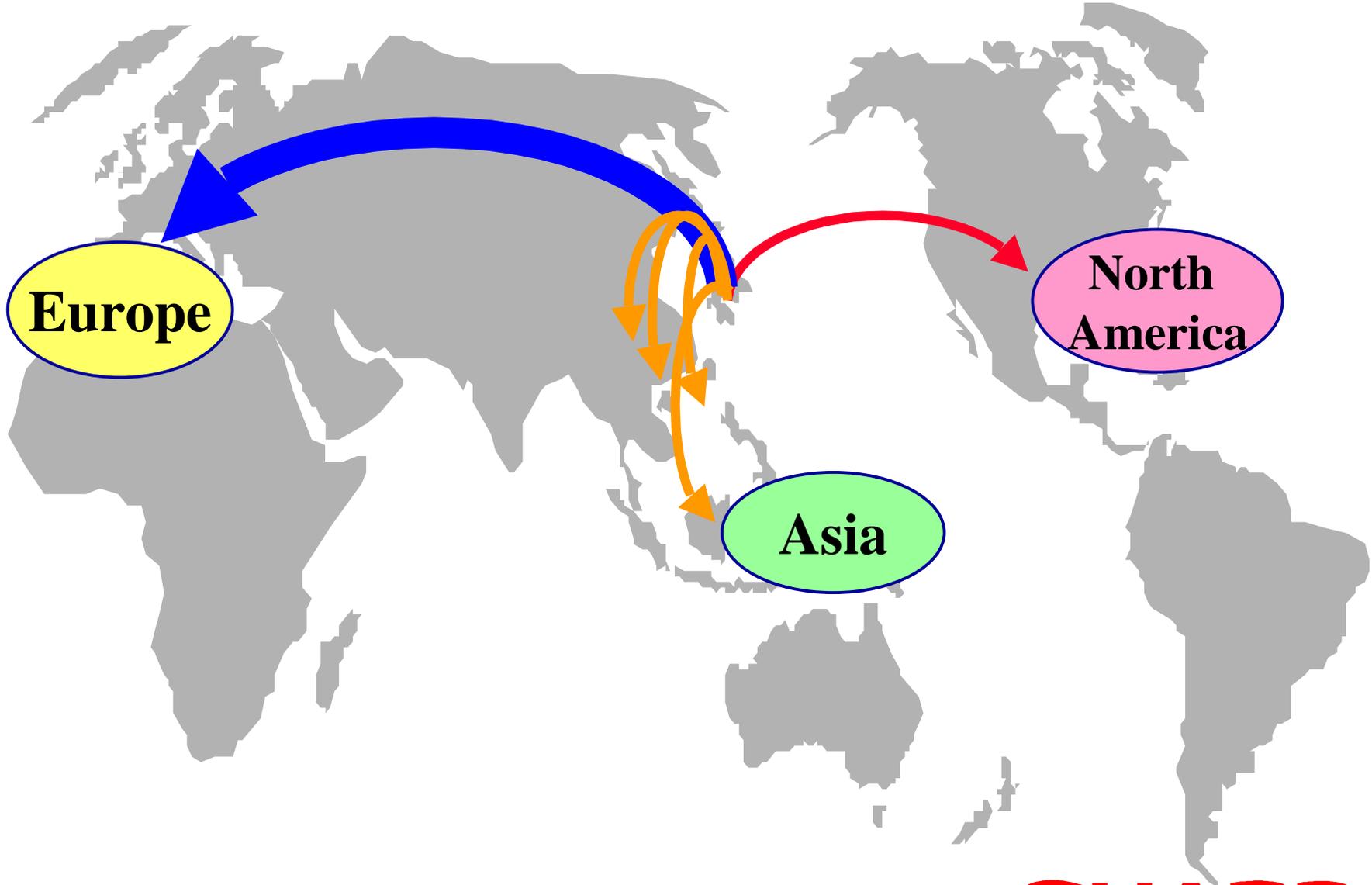


Evolution of Mobile Phones



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Expanding Overseas Business

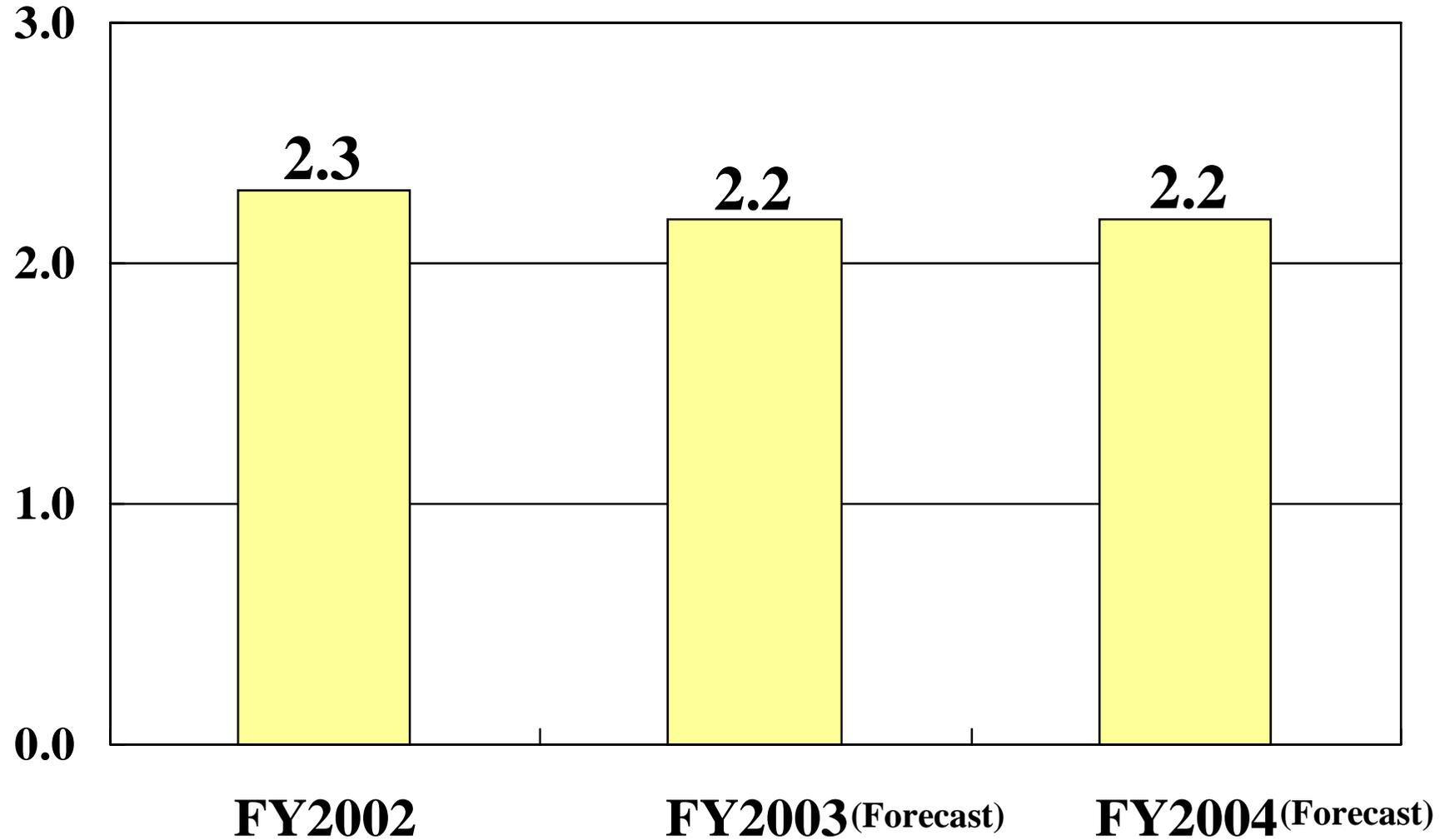


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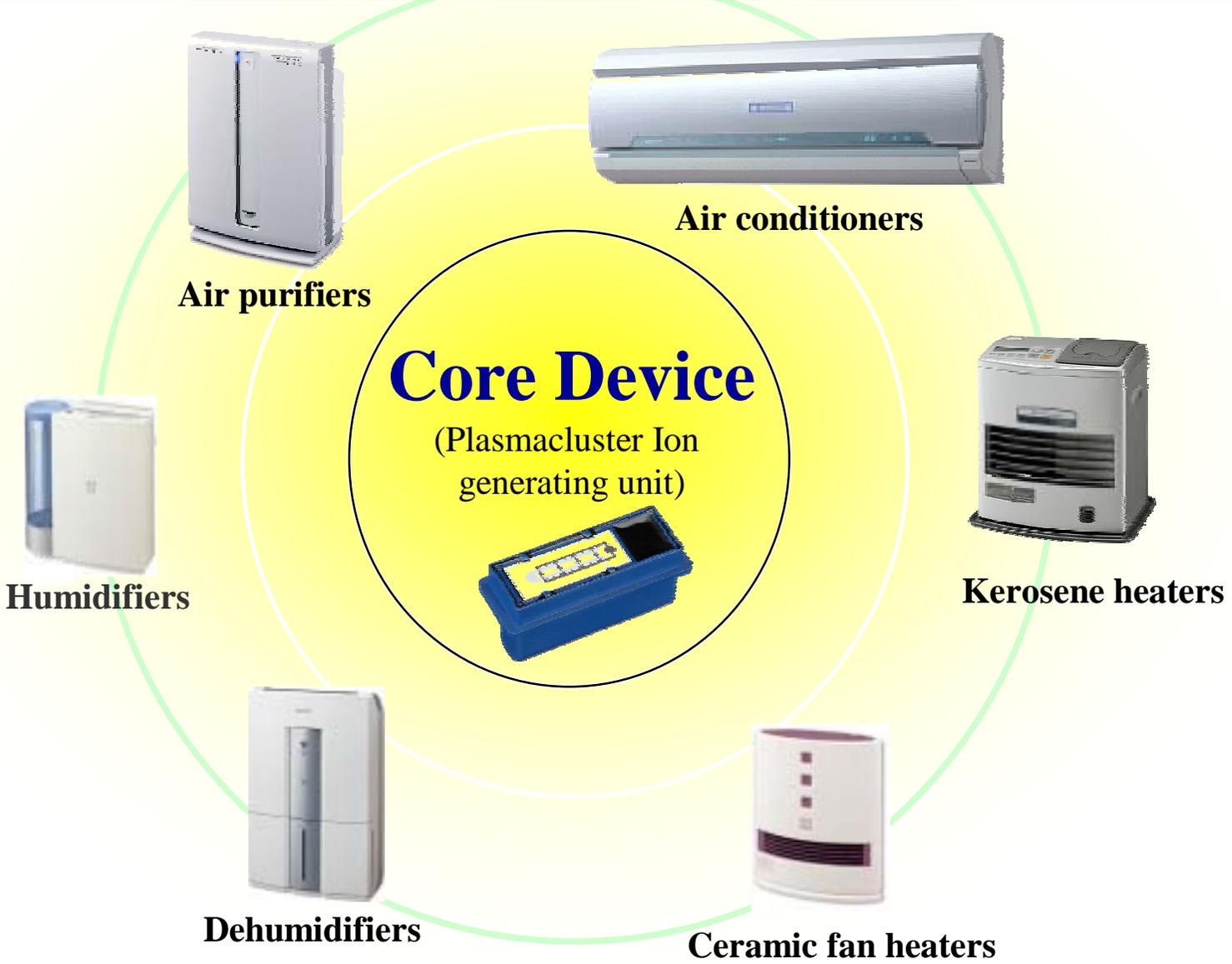
3. Home Appliances

(Industry) Domestic Home Appliance Demand

Trillions of yen



Sharp's Products incorporating Plasmacluster Ion Technology



Plasmacluster Ion Technology at Work in Numerous Industries

INAX
Lavatory

DENSO
In-vehicle
ion generator

DENSO ACE
24-hour ventilation
system

NISSAN
In-vehicle
air conditioner

きれいな空気が、
ますます広がっています。

空気中のカビ菌やアレルギーゲンに効く除菌イオンが、
悪臭を消えてごくごく採用されています。

FUJITEC
Elevator

MAX
Bathroom dryer

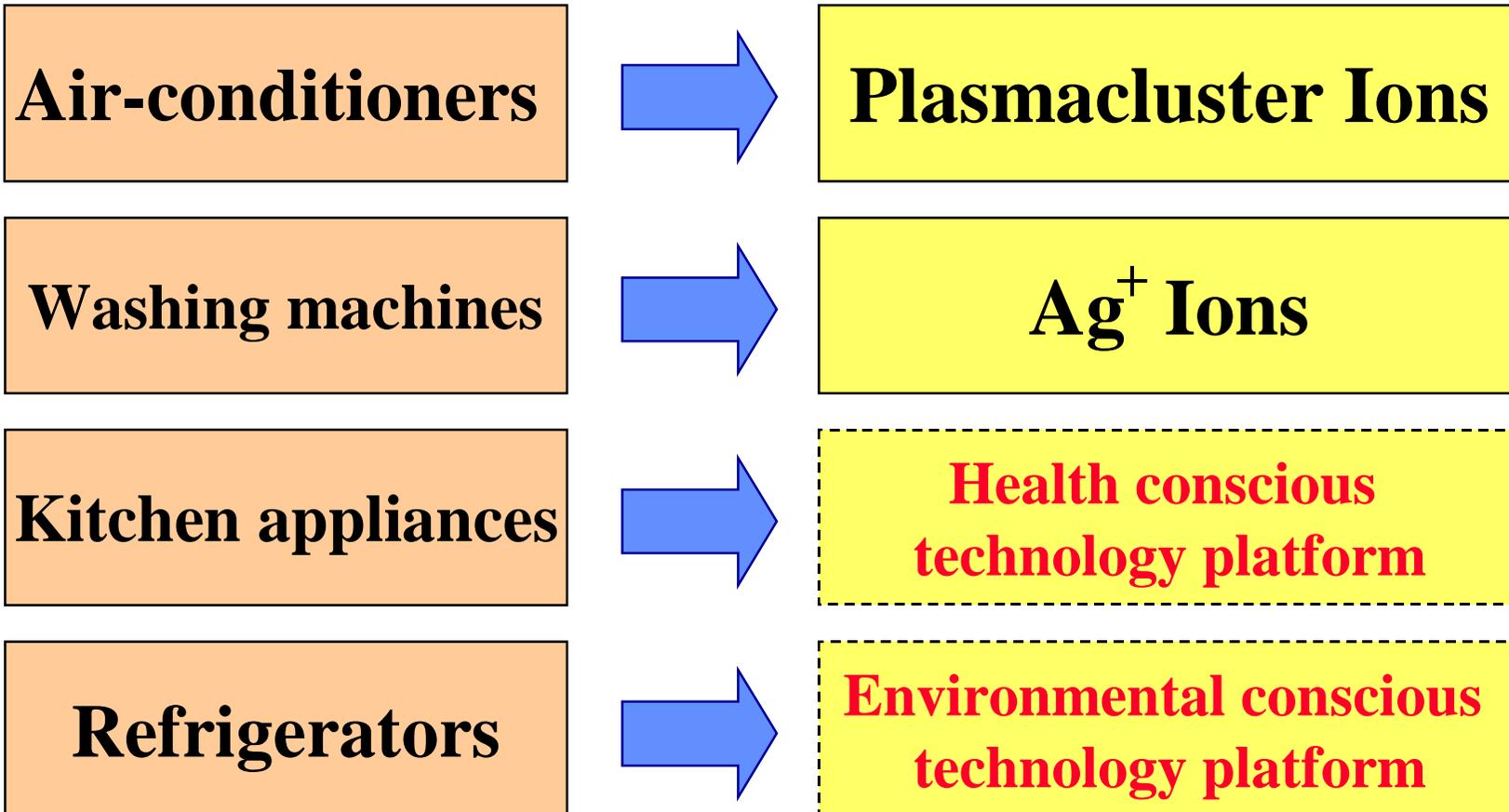
Rinnai
Gas heater



Plasmacluster Ion
generating unit



Sharp's Unique Electronic Devices

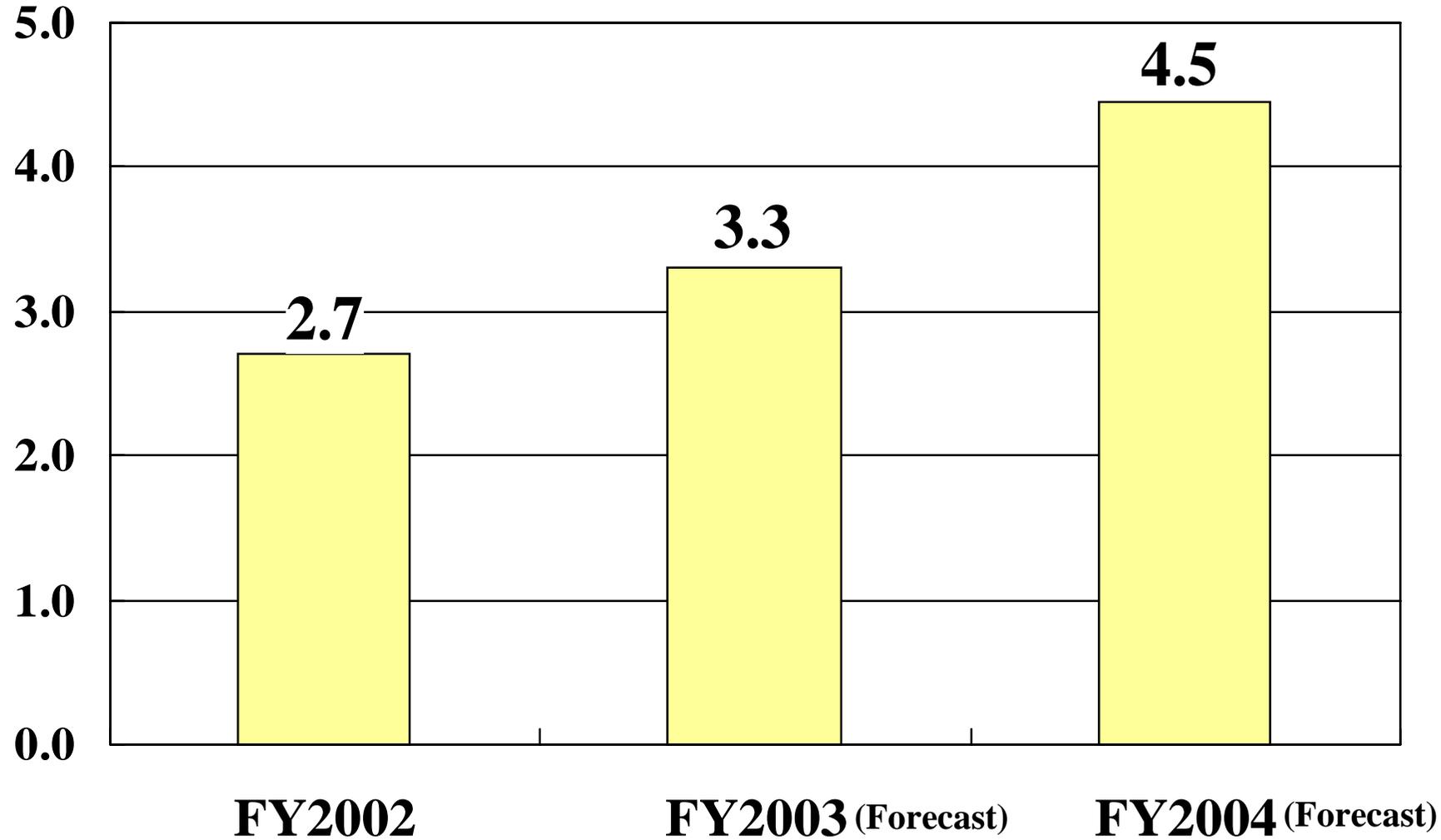


Device Business

4. LCDs

(Industry) Worldwide LCD Demand

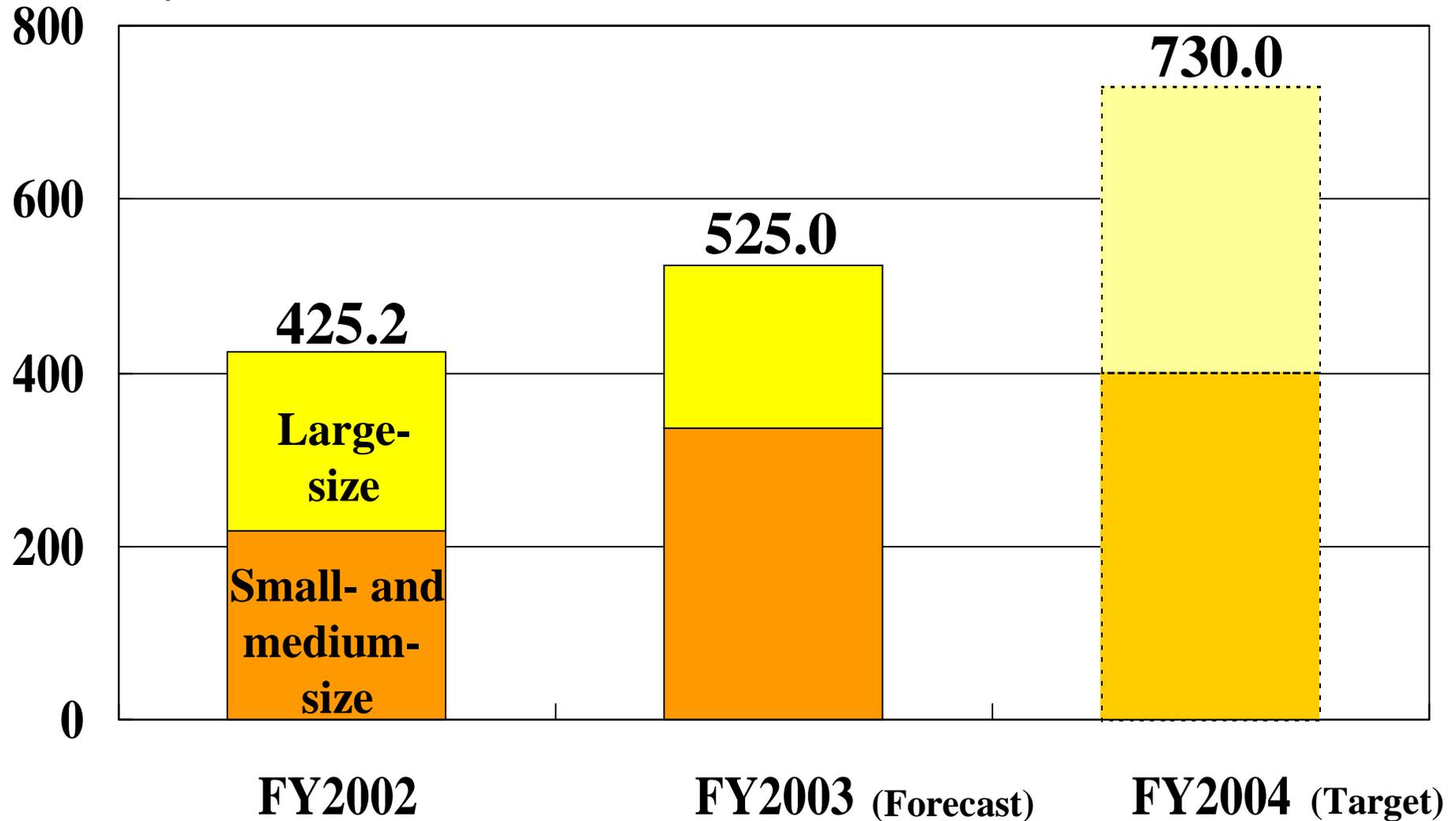
Trillions of yen



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Sharp's LCD Sales

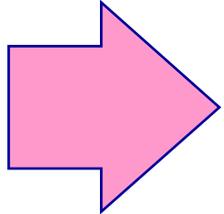
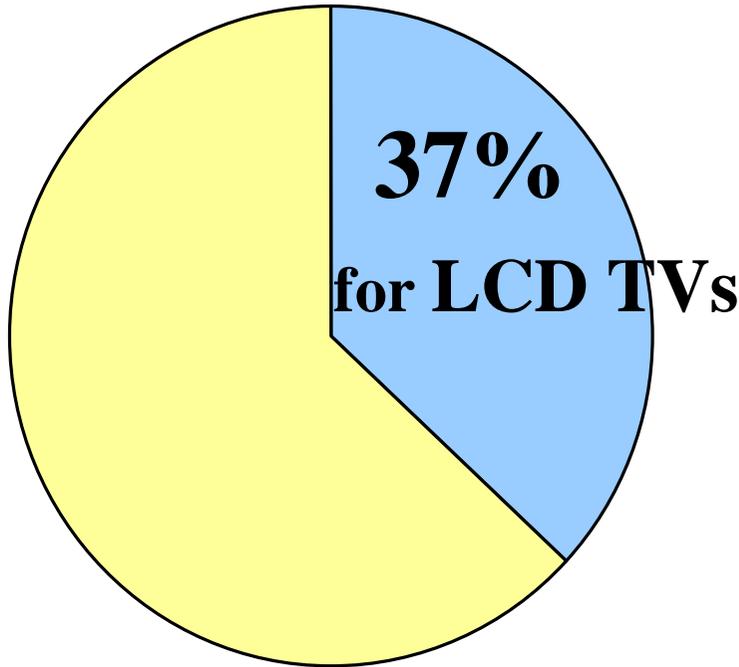
Billions of yen



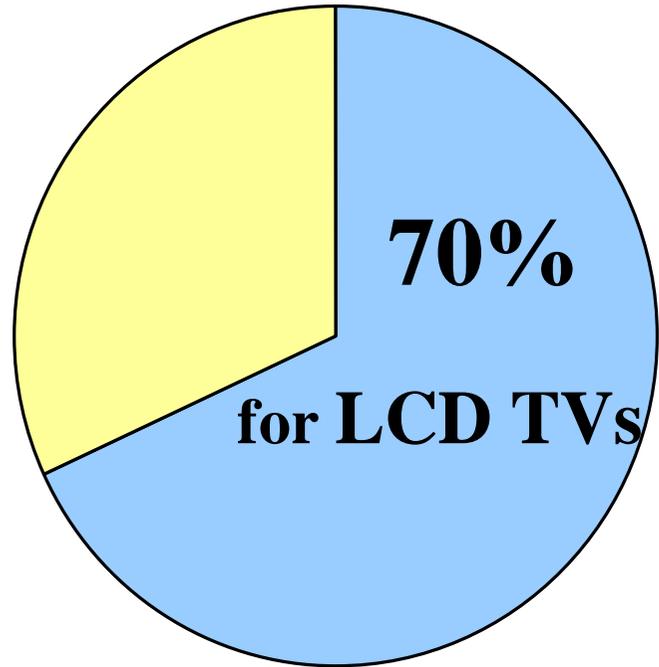
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Sales of LCD Panels for TVs as % of Sharp's Total Large-size LCD Sales

FY2003 (Forecast)



FY2004 (Target)



(Production value)

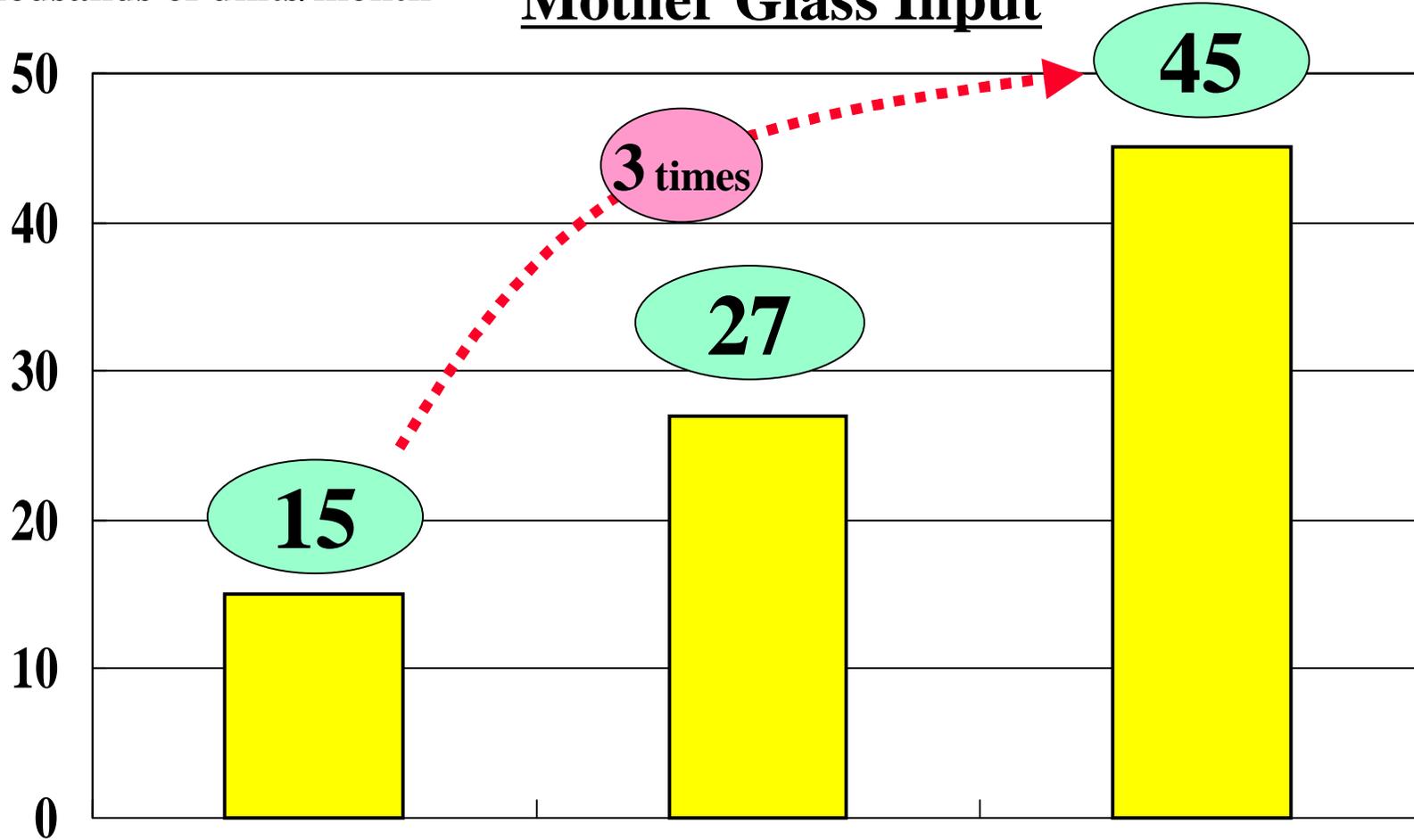


Large-size LCDs

Kameyama Plant Production Capacity

Thousands of units/month

Mother Glass Input



Jan. 2004

Aug. 2004

2005

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Kameyama Plant



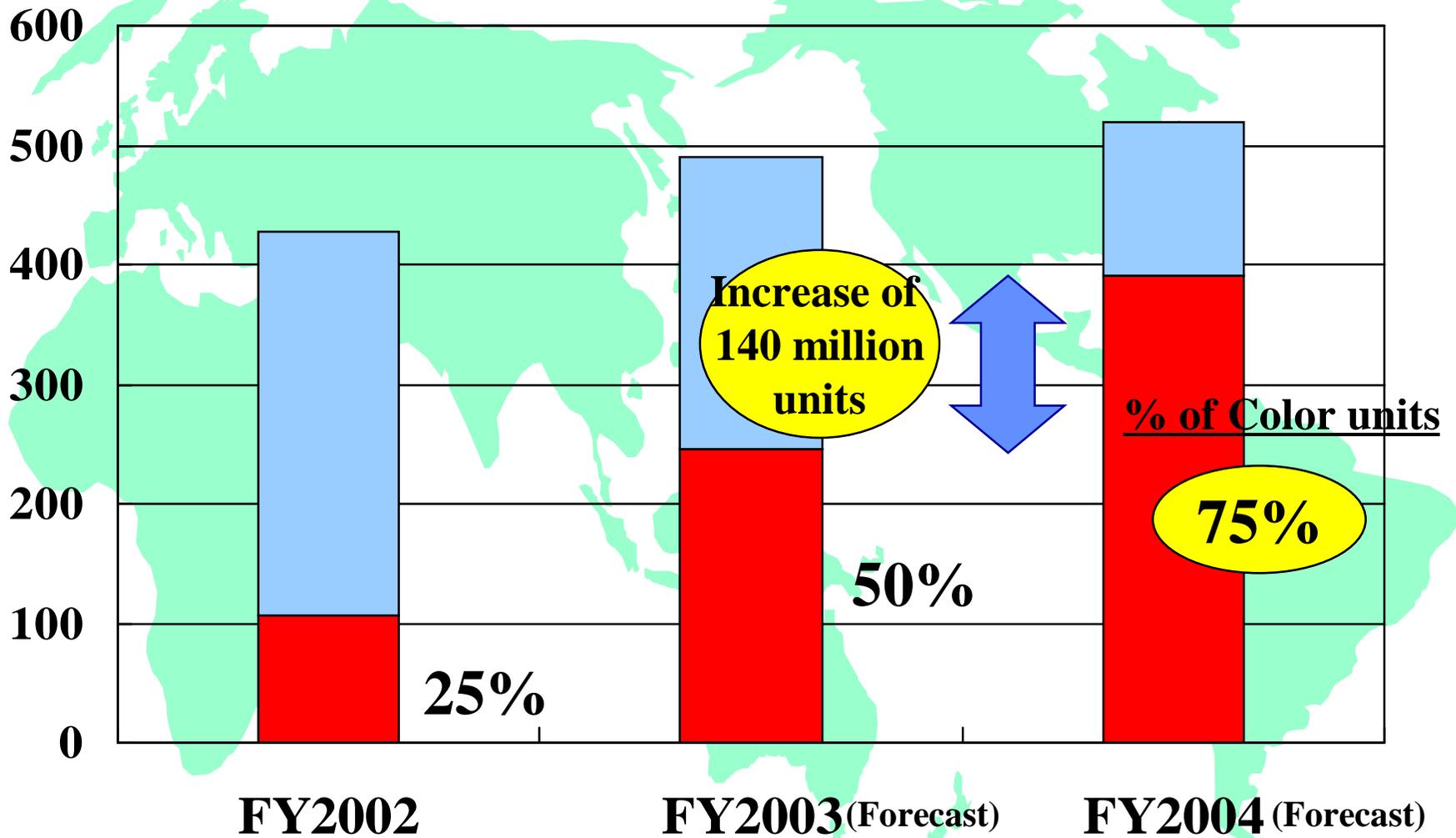
	1st phase	2nd phase	3rd phase
Start of operations	Jan. 2004	Aug. 2004	2005
Mother glass input (accumulated)	15K sheets/month	27K sheets/month	45K sheets/month
Amount of investment	100 Billion yen		50 billion yen
Mother glass size	1,500 x 1,800 mm		

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Small- and medium-size LCDs

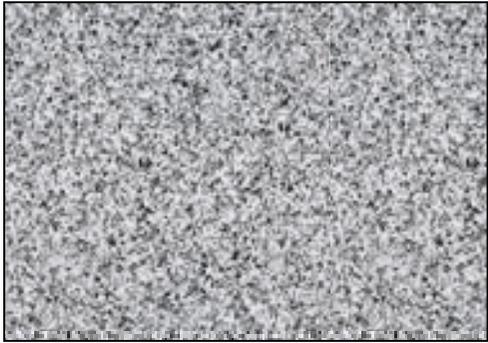
**(Industry) Worldwide Demand for Color Screen Mobile Phones
as % of Total Demand of Mobile Phones**

Millions of units



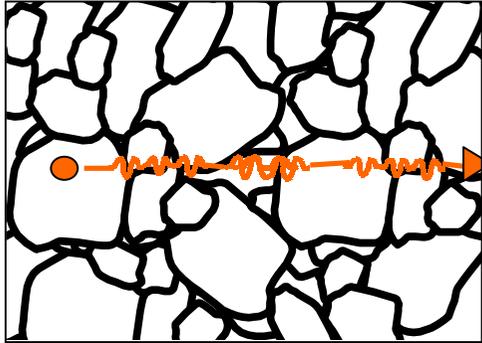
High Electron Mobility of Sharp's System LCDs

a-Si
(Amorphous-Silicon)



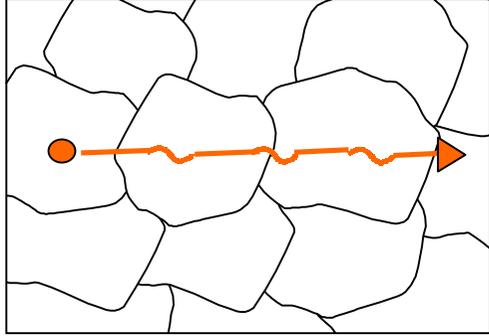
No crystal-grain

p-Si
(Poly-Silicon)

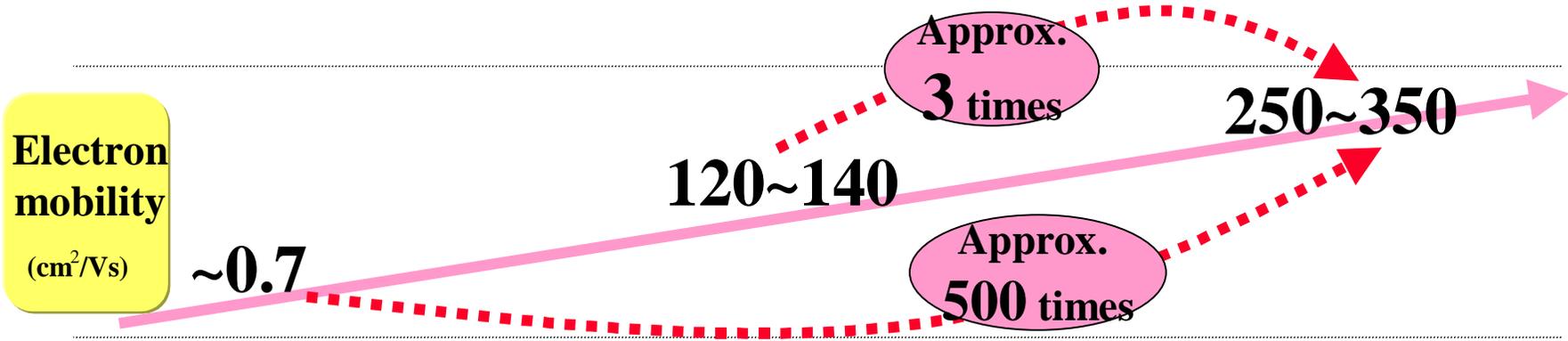


Crystal-grain with wall

CG-Si
(Continuous Grain-Silicon)



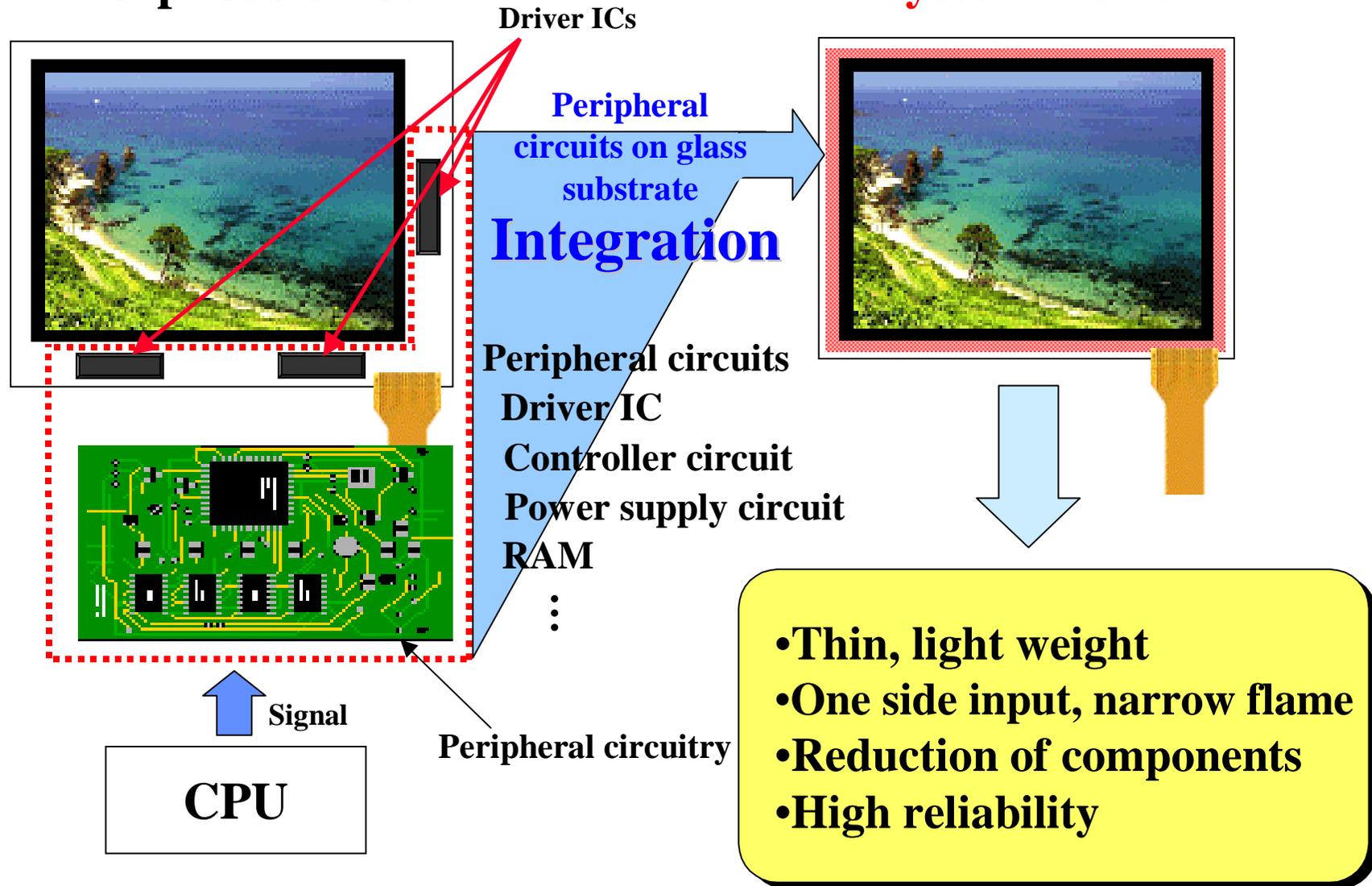
Big crystal-grain with continuous wall



Integration of peripheral ICs

“Amorphous Silicon”

“System LCDs”



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Sharp's System LCD Plants

Tenri Plant



Mie No.3 Plant



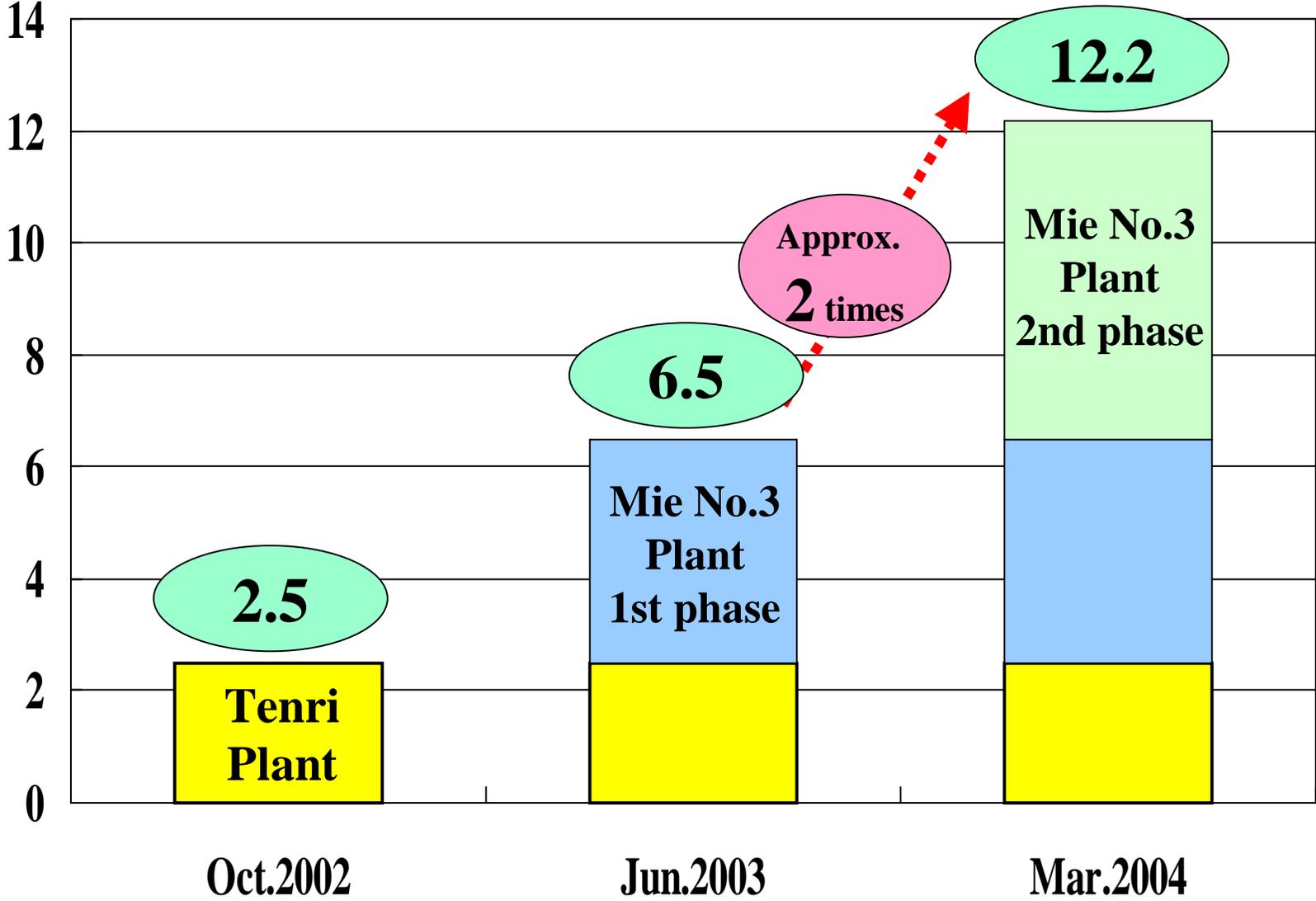
	Tenri Plant	Mie No.3 Plant	
		1st phase	2nd phase
Start of operations	Oct. 2002	Jun. 2003	Mar. 2004
Production capacity* (accumulated)	2.5 million units/month	6.5 million units/month	12.2 million units/month
Amount of investment	46 billion yen	50 billion yen	42 billion yen
Mother glass size	620 x 750 mm	730 x 920 mm	

*2-inch equivalent panels

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Sharp's System LCD Production Capacity

Millions of units/month

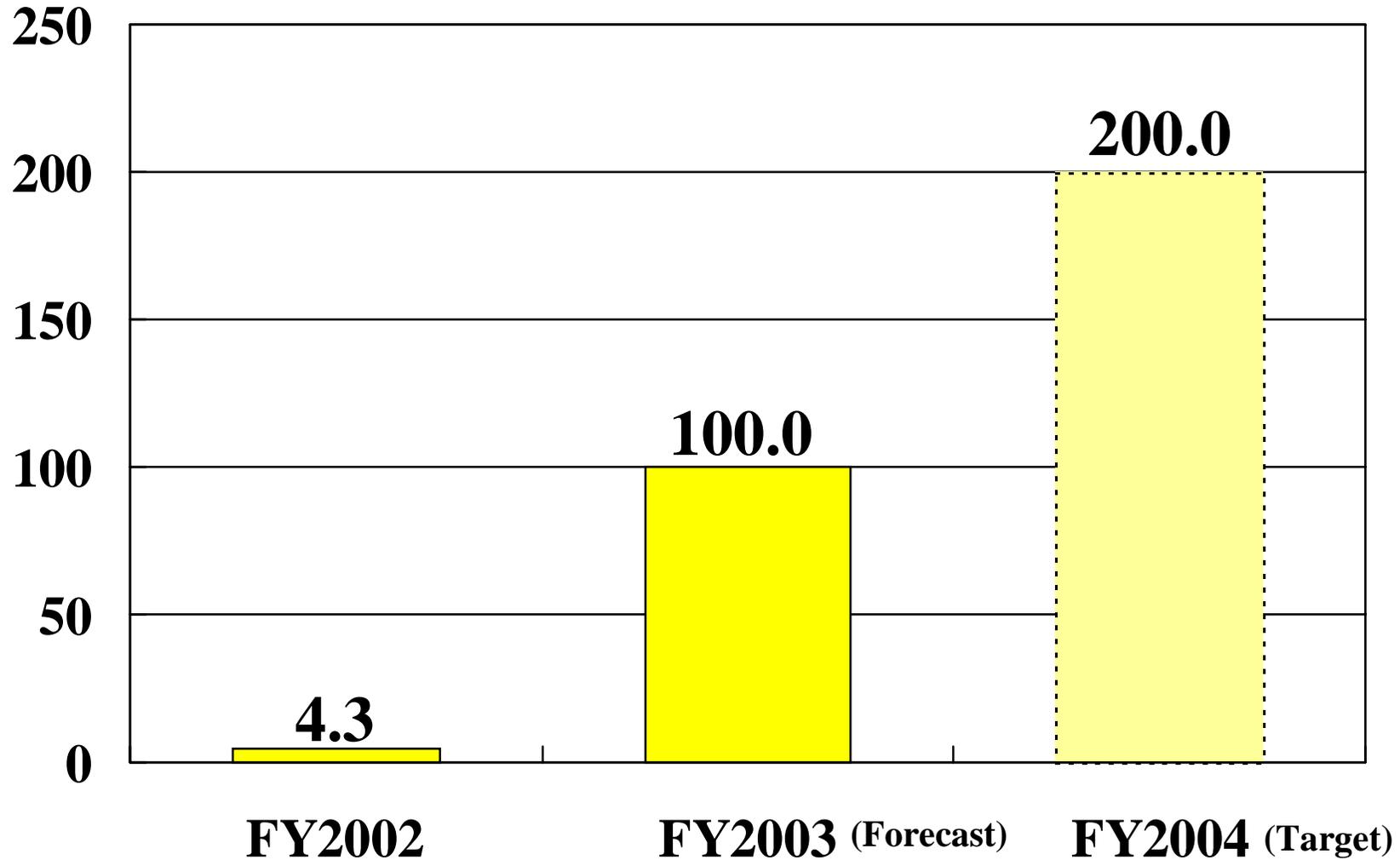


(2-inch equivalent panels)



Sharp's System LCD Sales

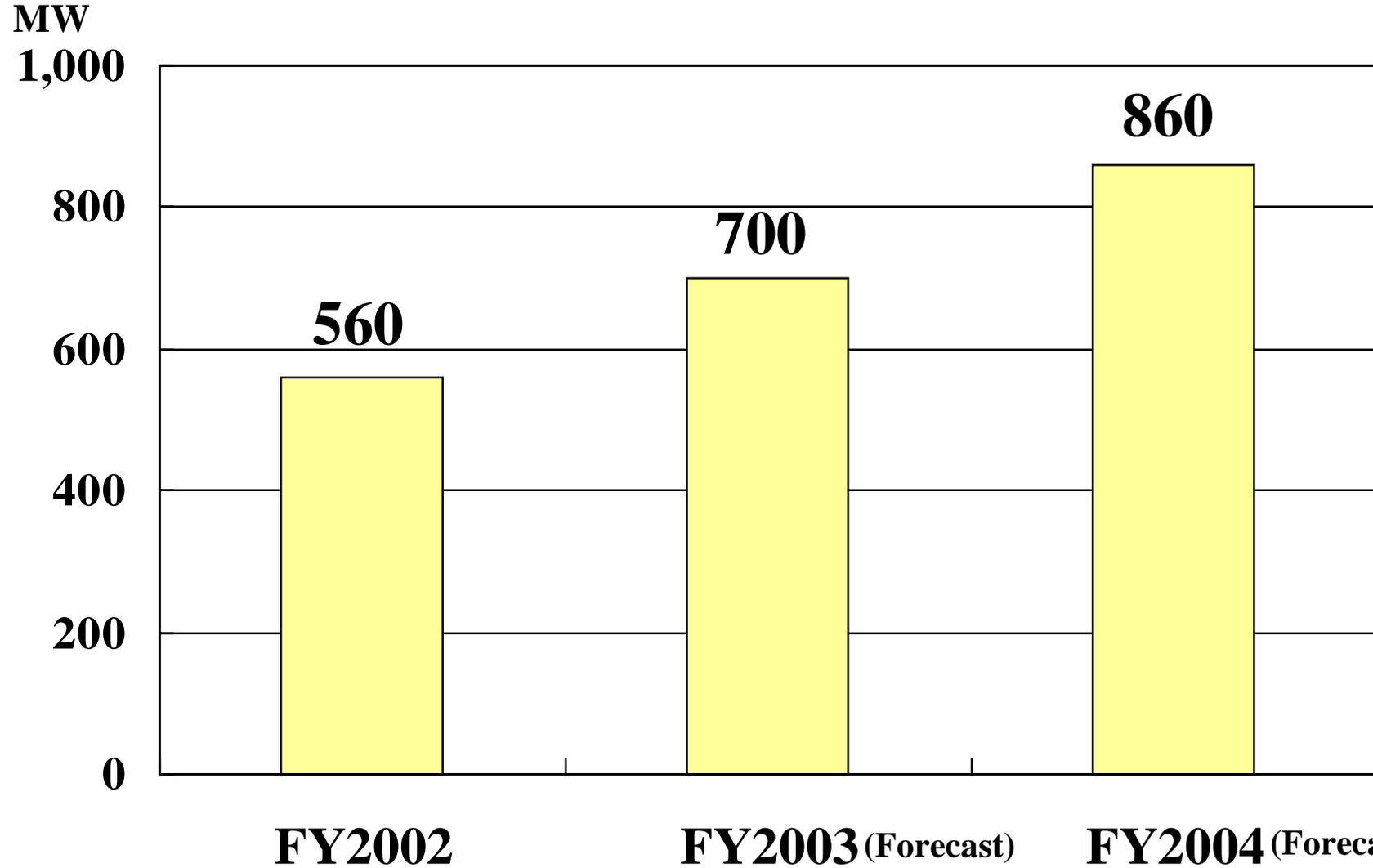
Billions of yen



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5. Photovoltaic Power System

(Industry) Worldwide Solar Cell Demand

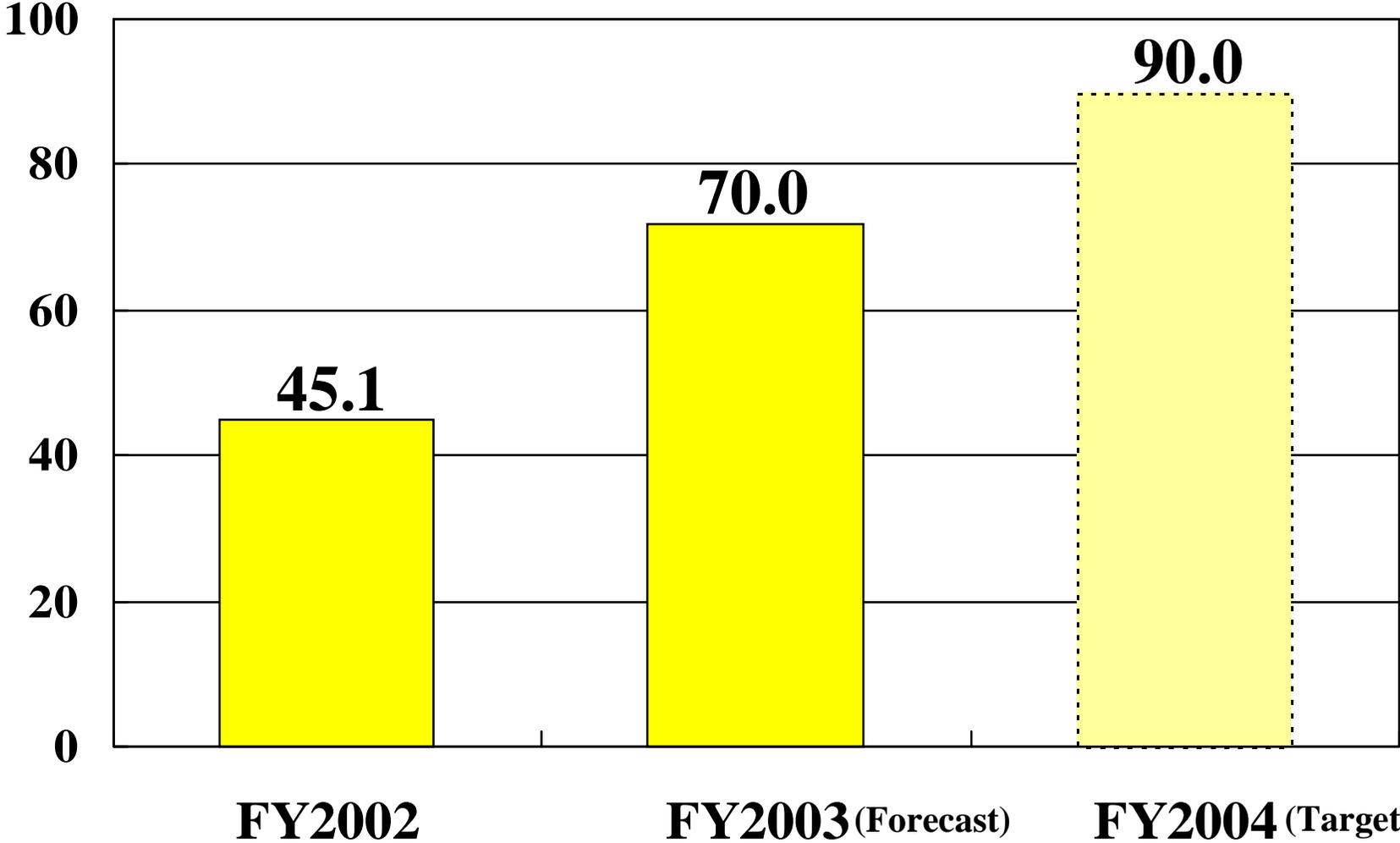


Source: Sharp estimate based on PV NEWS (May 2003)



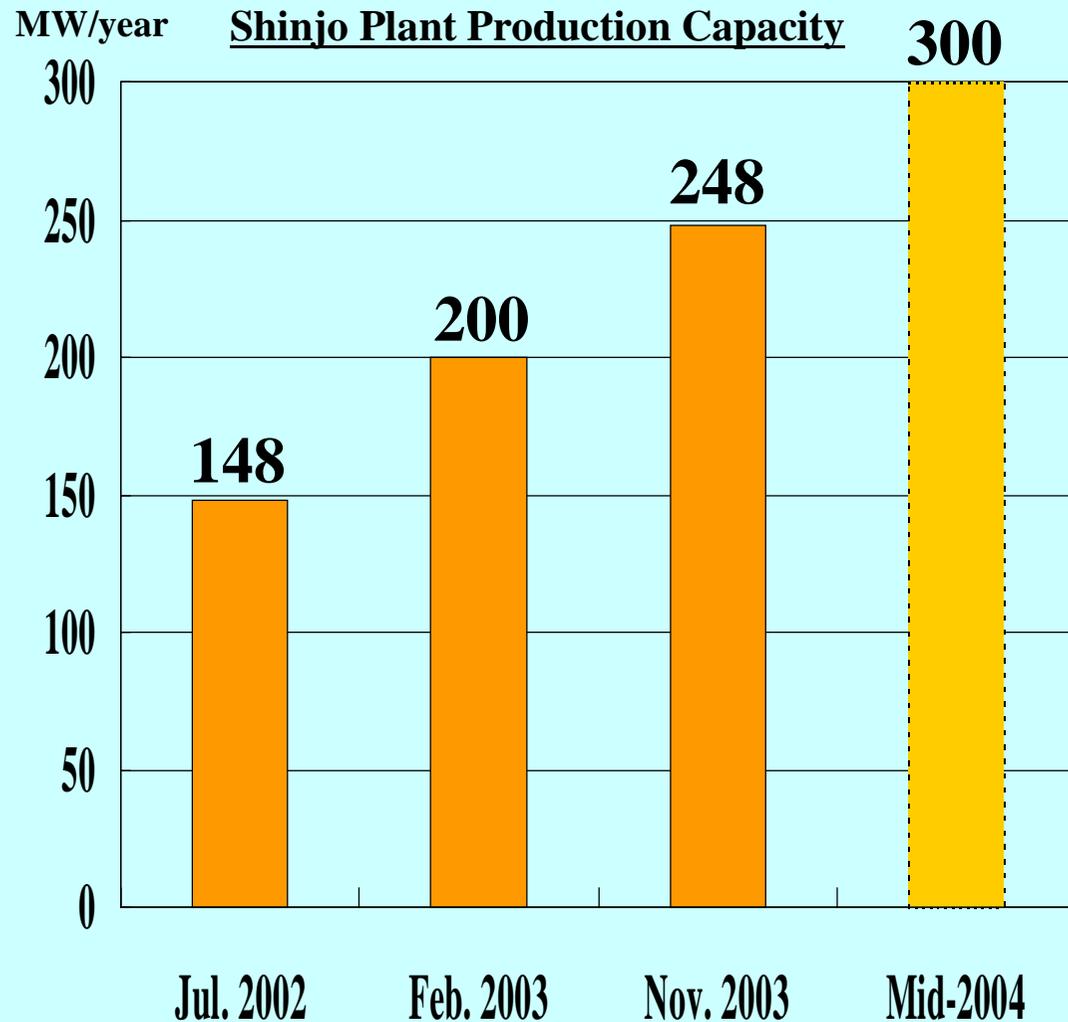
Sharp's Solar Cell Sales

Billions of yen



Sharp's Advantage

World Largest Production Capacity



Most Advanced Technology



Module Conversion Efficiency

World Highest*

17.4%

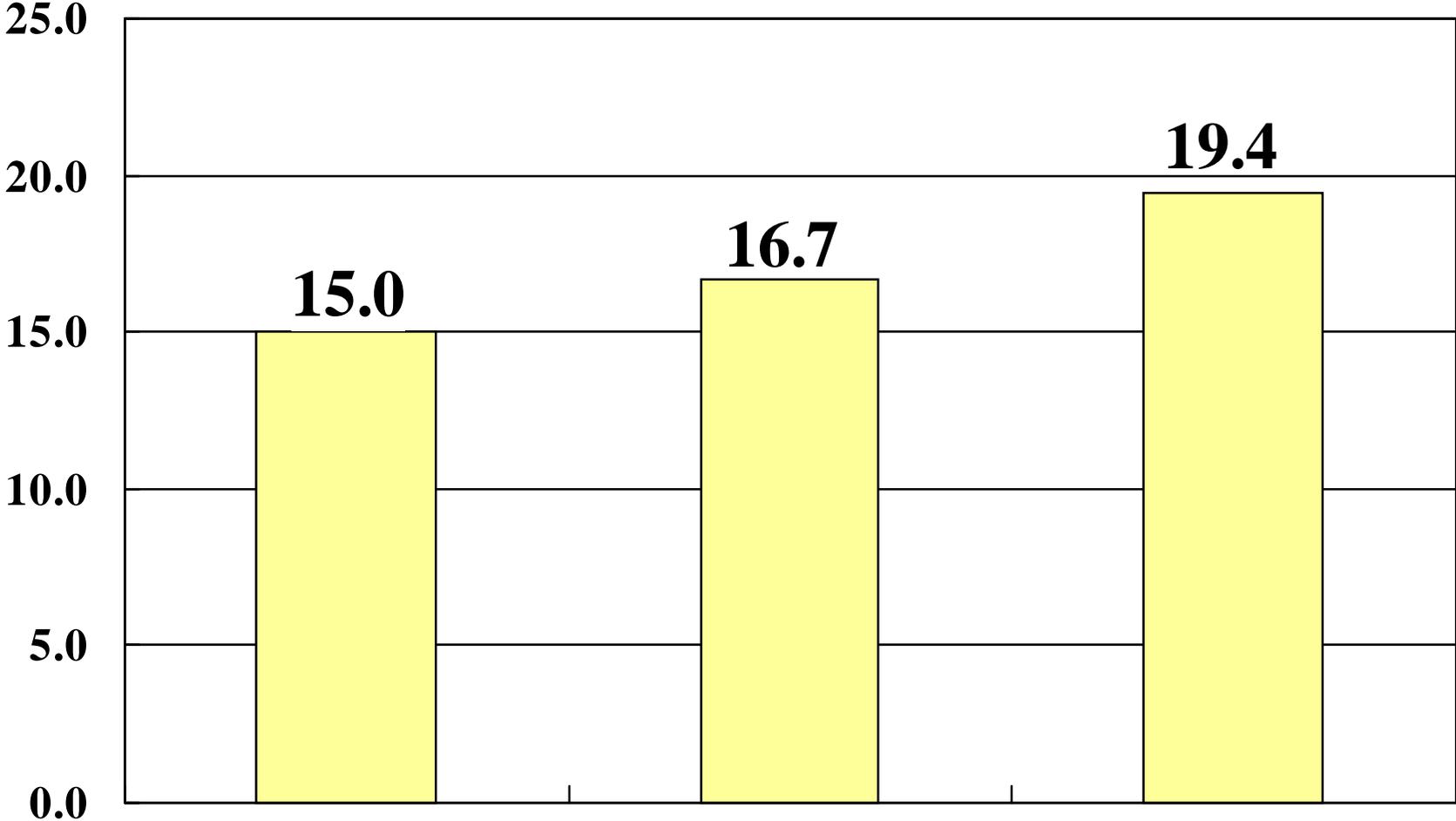
*As of November 1, 2003

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6. ICs

(Industry) Worldwide IC Demand

Trillion yen



FY2002

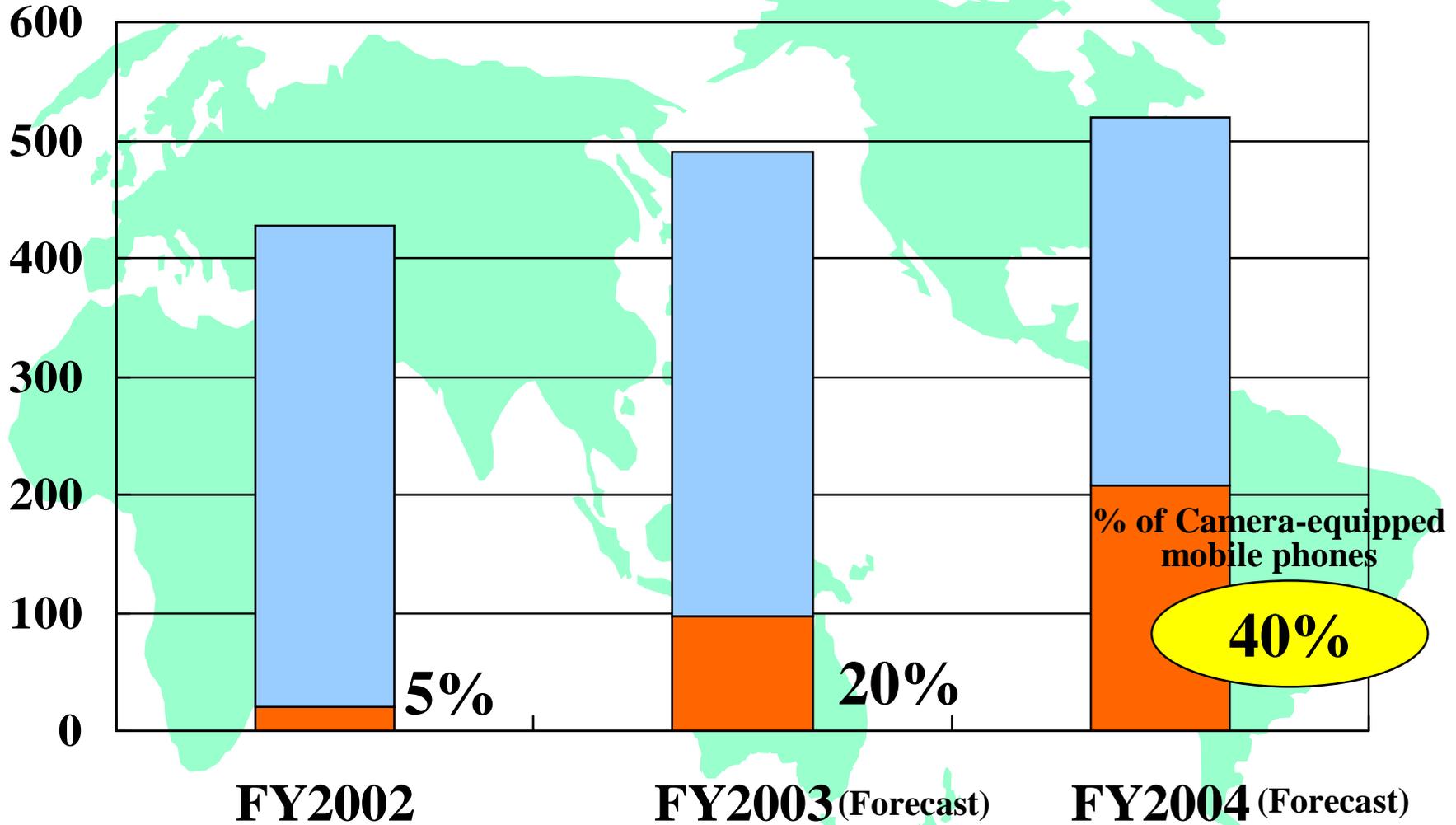
FY2003 (Forecast)

FY2004 (Forecast)



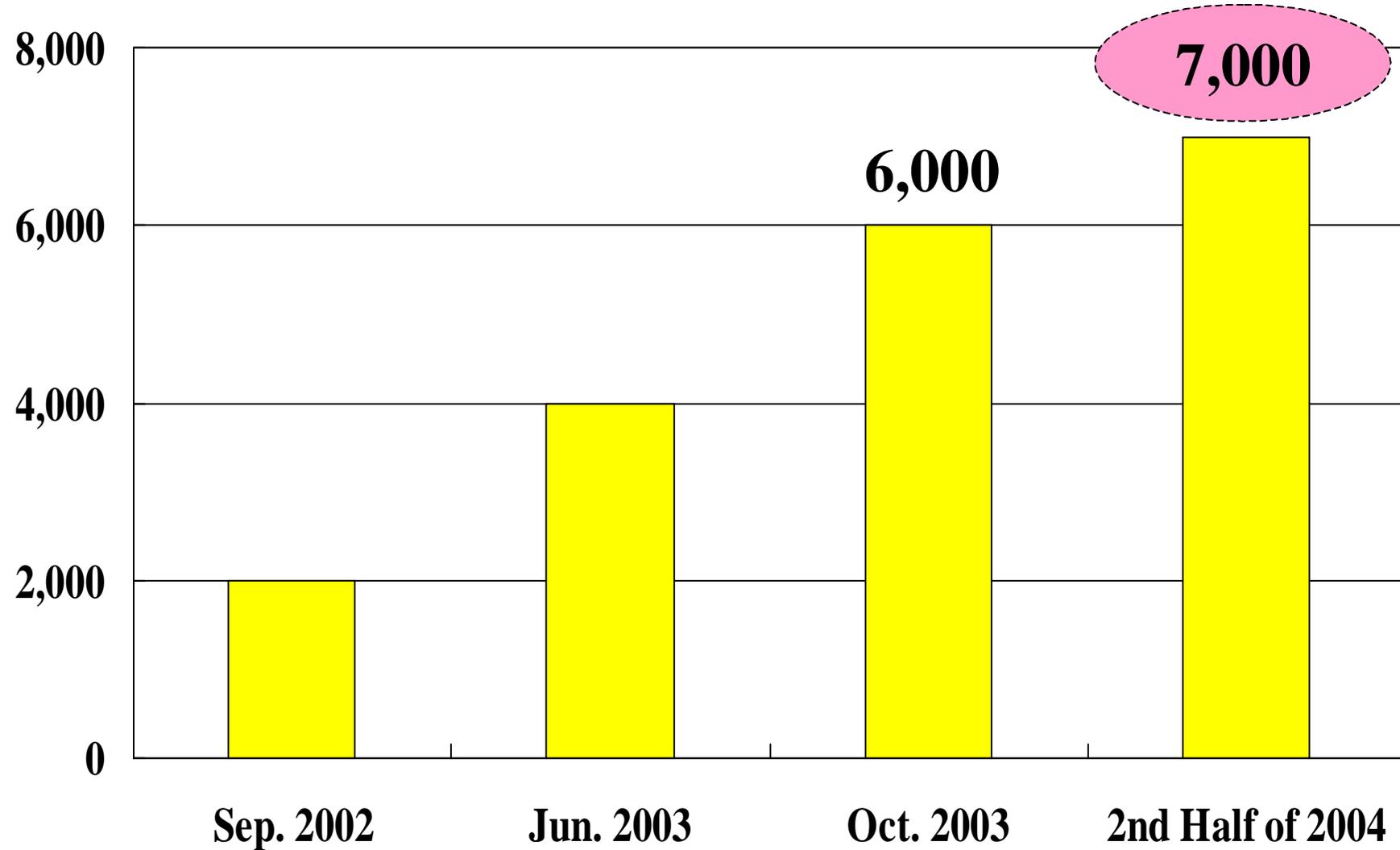
**(Industry) Worldwide Demand for Camera-equipped Mobile Phones
as % of Total Demand of Mobile Phones**

Millions of units



Sharp's CCD/CMOS Imager Production Capacity

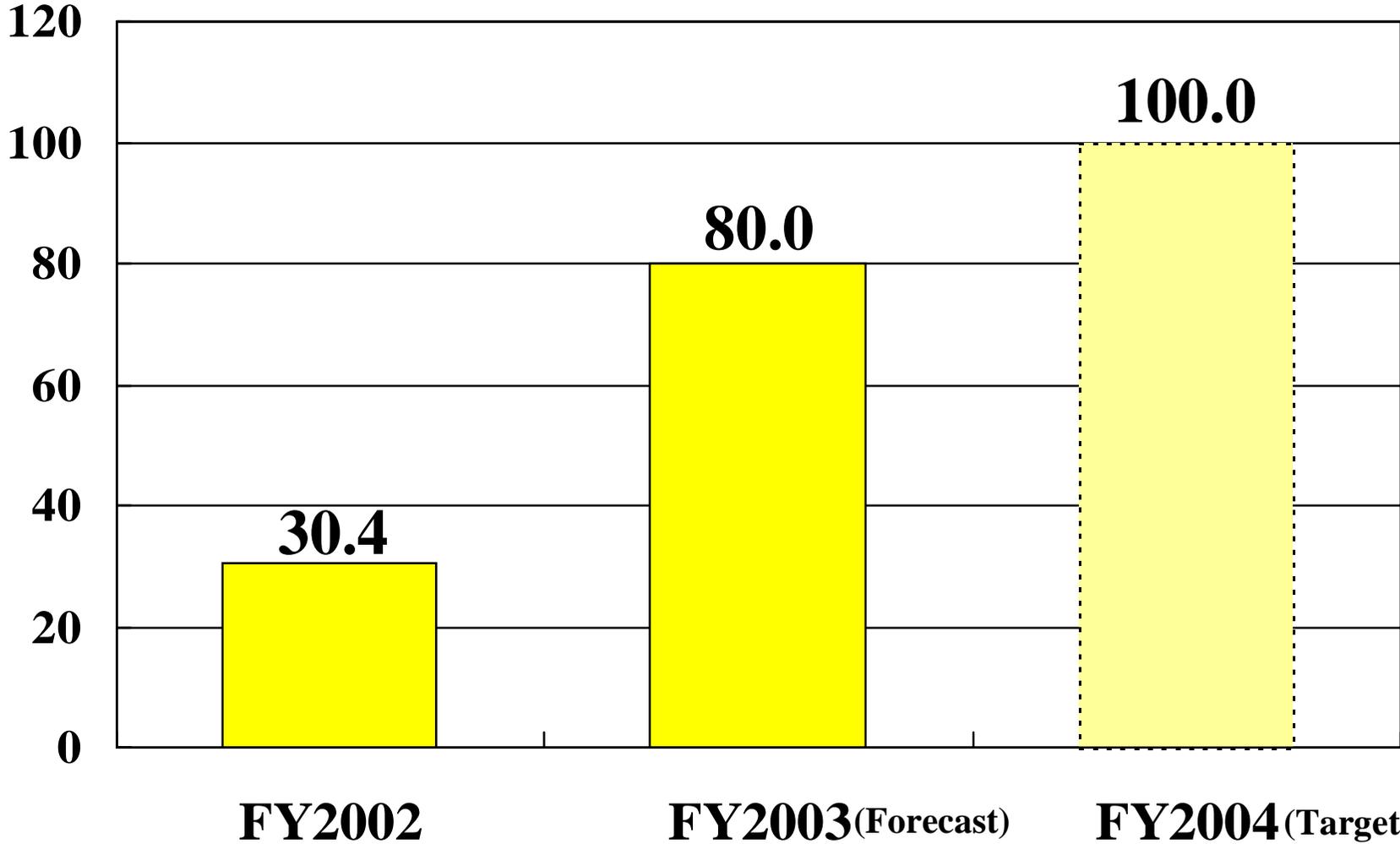
Thousands of units/month



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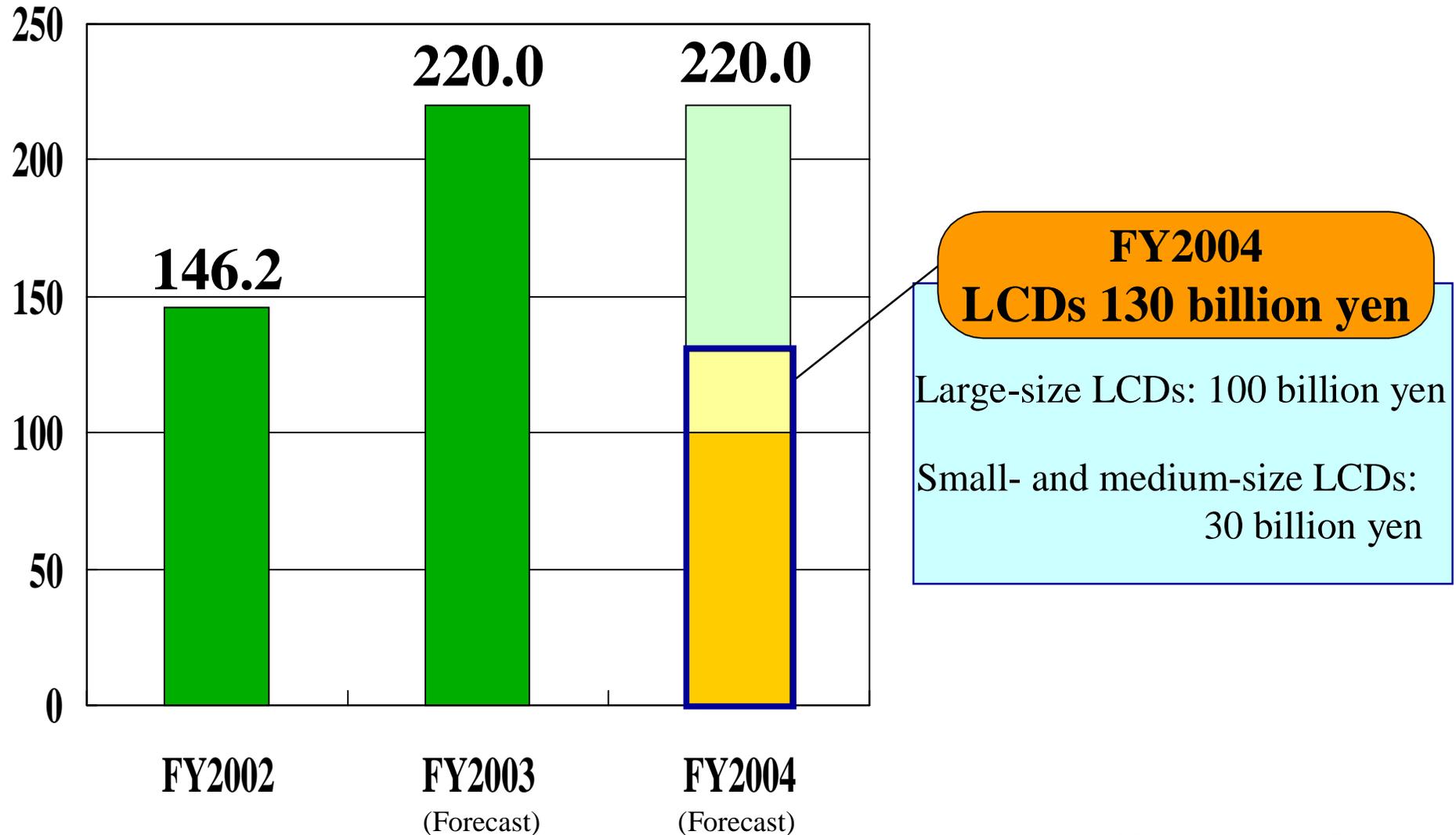
Sharp's CCD/CMOS Imager Sales

Billions of yen



II. Capital Investment (Forecast)

Billions of yen



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Notes Regarding Future Plans and Estimates:

This report contains statements describing future plans, strategies, and estimated performance. These descriptions are not based on past facts, but on the management's assumptions and beliefs in light of the information currently available. These plans, strategies, and performance estimates are subject to a certain amount of risk and uncertainty due to such factors as economic changes, supply-demand fluctuations, increased competition, currency exchange rates, and changes in tax laws. Please understand that actual business results may vary from our estimates.