

Message to Our Shareholders

We will pursue the development of energy-saving and energy-creating products that anticipate growing market needs, while promoting the reform of our business structure and reinforcing our business foundations.



First, we offer our sincere condolences to victims of the Great East Japan Earthquake of March 11, 2011, and we are wishing for the speedy recovery of all afflicted areas.

In fiscal 2010, ended March 31, 2011, the Japanese economy showed signs of a partial turnaround, buoyed by the Eco-Point Program and other government measures to stimulate demand, as well as growing demand in emerging countries. Overall conditions remained challenging, however, due to the strong yen and falling market prices stemming from intensified competition in digital products, particularly in LCD TVs, coupled with the huge damage caused by the Great East Japan Earthquake. Overseas, Asian markets continued showing strong growth, especially China, and Europe and the United States posted generally moderate recovery. However, a strong sense of uncertainty continued, due largely to soaring crude oil prices amid political instability in the Middle East and North Africa.

Under these circumstances, Sharp sought to create one-of-a-kind devices and products by leveraging its distinctive technologies. At the same time, we strove to enhance our international competitiveness by promoting our local production for local consumption business model, in which we manufacture and sell products tailored to market needs in the areas where they will be consumed.

In the lead-up to its 100th anniversary in 2012, Sharp is pursuing two business visions: "Contribute to the world with environment and health conscious business, focusing on energy-saving and energy-creating products" and "Contribute to ubiquitous society with one-of-a-kind LCDs." We have also set a corporate vision of becoming an Eco-Positive Company committed to the twin objectives of contributing to the environment and promoting economic activities through our electronics business.

Regarding fiscal 2011, we expect the situation to remain unpredictable, given such concerns as the impact of the Great East Japan Earthquake on the supply chains of manufacturers, restraint in consumer spending stemming from the quake, and the rising prices of natural resources. In response, we will work to ensure stable production by securing necessary parts and components, while focusing on creation of unique energy-saving and energy-creating products for which growth in demand is anticipated. These include home appliances that consume less electricity and solar-applied products. We will also work to undertake business restructuring and make rigorous, group-wide cost-cutting efforts to further reinforce our business foundations. In addition, we will make efforts to raise corporate value by taking steps to expand our CSR activities group-wide, including enhancing and strengthening our corporate governance, helping to preserve the global environment, and enforcing compliance in business management. We look forward to your ongoing support and understanding.

July 2011



Chairman



President