

For Shareholders and Investors

Appropriate Return of Profits and Information Disclosure

One of the most important management principles for Sharp is to return a portion of profits to shareholders. By providing prompt, accurate, and wide-ranging information, Sharp is promoting communication with shareholders and investors in Japan and overseas, and the valuable feedback of these stakeholders is regularly relayed to Sharp management for future improvements.

Efforts (Achievements) for Fiscal 2006		Efforts for Fiscal 2007
<ul style="list-style-type: none"> Strengthen IR activities aimed at individual investors 	<ul style="list-style-type: none"> Gave presentations at seminars for individual investors Held explanation sessions for salespeople in charge of individual investors at securities companies 	<ul style="list-style-type: none"> Improve information disclosure to shareholders and investors Renew contents of the investor relations website

Basic Policies Concerning Profit Sharing

Sharp considers distributing profits to shareholders to be one of the most important management issues. While maintaining consistently stable dividend pay-outs, and while considering its consolidated business performance, financial situation, and future business development in a careful and comprehensive manner, Sharp implements a set of policies to return profits to its shareholders, such as increasing the amount of periodic dividends.

Under such a policy, annual dividends in fiscal 2006 were 26 yen per share, which marked an increase for the seventh consecutive period. Sharp will strive to return its profits to shareholders, aiming for a dividend pay-out ratio of 30%, on a consolidated basis in the future.

Sharp uses internal reserve funds for investment in future growth fields, the development of uniquely featured products and proprietary devices, overseas business development, and environmental protection.

Net income per share (consolidated)

(fiscal year)				
2002	2003	2004	2005	2006
29.37	55.37	70.04	80.85	93.25
(yen)				

Cash dividends per share

(fiscal year)				
2002	2003	2004	2005	2006
15	18	20	22	26
(yen)				

Active Investor Relations

Communication with Institutional Investors and Analysts

In fiscal 2006, Sharp was actively engaged in individual interviews and meetings with institutional investors and analysts at the Osaka and Tokyo offices. Sharp also held quarterly financial result announcements, business strategy briefings, and factory tours. Overseas, Sharp's management and IR teams visited institutional investors and held conferences at consumer electronics shows.

By making its website for investor relations in both Japanese and English, Sharp provides prompt and fair information to investors both in and out of Japan. Sharp will continue to improve the accuracy and frequency of the information that it discloses.

Communication with Individual Investors

Because Sharp considers it important to have shareholders from a wide range of backgrounds, the company is working to communicate more with individual investors.

In fiscal 2006, Sharp created a website and reports for shareholders that use layman's terms and as little financial jargon as possible. Sharp also participated in various stock-promotion seminars for individual investors, where the company explained its business results and strategy and held question-and-answer sessions. As well,

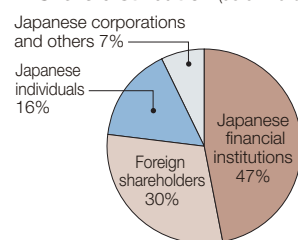
Sharp held explanation sessions for salespeople in charge of individual investors at securities companies.

General Shareholders' Meetings

Sharp strives to create an environment that enables shareholders to exercise voting rights at the ordinary general meeting of shareholders: efforts include holding the meetings earlier than most Japanese companies, allowing shareholders to exercise voting rights by computers and mobile phones, participating in a platform for electronic voting rights for institutional investors, and posting English notices about the meetings on the website.

Sharp also makes public the events of shareholders' meetings by posting video on the website the day after the meetings for a certain period of time. For the general shareholders' meeting in June 2007, Sharp used a larger venue so that as many shareholders as possible could attend.

Share distribution (as of March 31, 2007)



SRI (Socially Responsible Investment)*

As part of information disclosure to stakeholders, Sharp cooperates in good faith with research organizations doing surveys on socially responsible investment (SRI). In September 2006, Sharp participated in an explanation session for SRI investors sponsored by securities companies in Paris to introduce its main businesses and environmental strategy.

As of June 2007, Sharp was one of the stocks chosen for the following SRI indices:

- FTSE4 Good Global Index (UK); March 2007
- Ethibel Sustainability Index (Belgium)
- Morningstar Socially Responsible Investment Index (Japan); September 2006
- KLD Global Climate 100 Index (US); May 2007



* SRI: Investment in companies that fulfill not only their financial obligations but their environmental and social responsibilities as well.

Information on website

<http://sharp-world.com/corporate/eco/report2007/> ■ Investor relations