

For Business Partners

Mutual Prosperity with Suppliers and Dealers

Sharp procurement activities are carried out based on the Basic Purchasing Principles: “Sharp purchases outstanding parts, materials and equipment which meet its requirements, through just and fair evaluation, thus ensuring that all domestic and overseas companies are provided with equal opportunities.” It is also Sharp’s belief that CSR activities should apply to the entire supply chain, including its business partners.

Equal Opportunity and Fair Evaluation for All Domestic and Overseas Suppliers

Sharp procures parts, materials and equipment from numerous domestic and overseas suppliers based on the concept of providing equal opportunities to all suppliers, and by procuring superb materials that comply with Sharp conditions and requests through fair evaluations.

Sharp has stipulated “Basic Purchasing Principles” that clearly describe the fundamentals of impartial and fair purchasing, and that promote the development of mutual collaboration and trust. Thus, Sharp pursues a prosperous coexistence with its business partners.

Making CSR a Common Goal across the Entire Supply Chain

A company must fulfill social responsibility not only within its own group, but also within its entire supply chain and network of suppliers, when doing business domestically and overseas.

Consequently, in May 2004, Sharp revised its Basic Purchasing Principles to include items such as conservation of the environment, compliance with laws and regulations, no disclosing of confidential information and the CSR approach.

In June 2005, Sharp further revised its Basic

Purchasing Principles to add items that suppliers are requested to observe, focusing on matters concerning procurement activities from a CSR perspective. Sharp has posted the contents of the revision on its Web site, and made the requests to its domestic and overseas suppliers in writing.

In March 2006, Sharp revised the Green Procurement Guidelines to strengthen efforts for environmental conservation across the entire supply chain.

Basic Purchasing Principles

(revised June 2005)

1. Basic procurement concept

- 1) Sharp’s procurement activities are conducted in an open and impartial manner, with a fair evaluation given to suppliers in and outside Japan.
- 2) Sharp will comply with laws and regulations, and achieve mutual prosperity with suppliers.
- 3) Sharp will practice such social responsibility as the conservation of the environment through procurement activities.
- 4) Sharp pursues optimal quality and cost to the fullest.

2. Guidelines for procurement activities

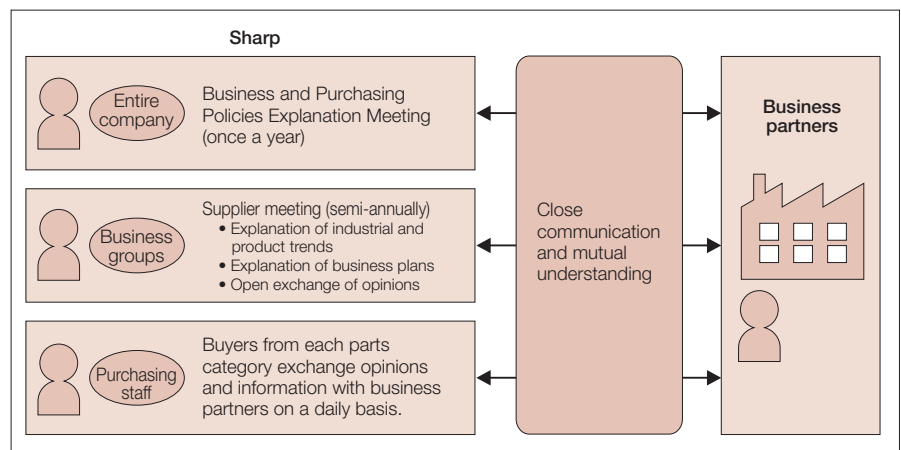
- 1) Open and impartial procurement activities and purchases at optimal cost
- 2) Establishing mutual relationships
- 3) Conservation of the environment
- 4) Securing good product quality
- 5) Securing steady delivery time and stable supply
- 6) Leading technology

3. Requests to suppliers

- 1) Compliance with laws and social standards
- 2) Promotion of sound business operations
- 3) Consideration for the environment
- 4) Securing optimal quality and cost
- 5) Stable supply of parts and materials
- 6) Leading technology
- 7) No disclosing of confidential information

Close communication for mutual understanding (Japan)

To build strong relationships with its suppliers, Sharp communicates proactively to pursue a balance of mutual understanding.



Overseas Topics

Actively Taking Part in Countersample Exhibitions and Holding Technology Seminars

In order to expand global procurement, Sharp actively participates in countersample exhibitions* in Japan and overseas and holds technology seminars where suppliers can propose new materials and parts and introduce new technologies.

The countersample exhibition held in Shanghai in September 2005 attracted about 4,000 visitors, and the Sharp booth received numerous inquiries.

* Countersample exhibition: Exhibition where manufacturers display parts and materials they want to procure, in an effort to seek new suppliers.



At the countersample exhibition held in Shanghai

Approaching CSR together with Suppliers

As part of CSR efforts spanning the entire supply chain, Sharp began inviting major subcontractor companies in Japan to CSR explanation sessions and seminars in fiscal 2004. Through these efforts, Sharp helped to implement a CSR promotion system at each company and devised a checklist to let them evaluate their current status.

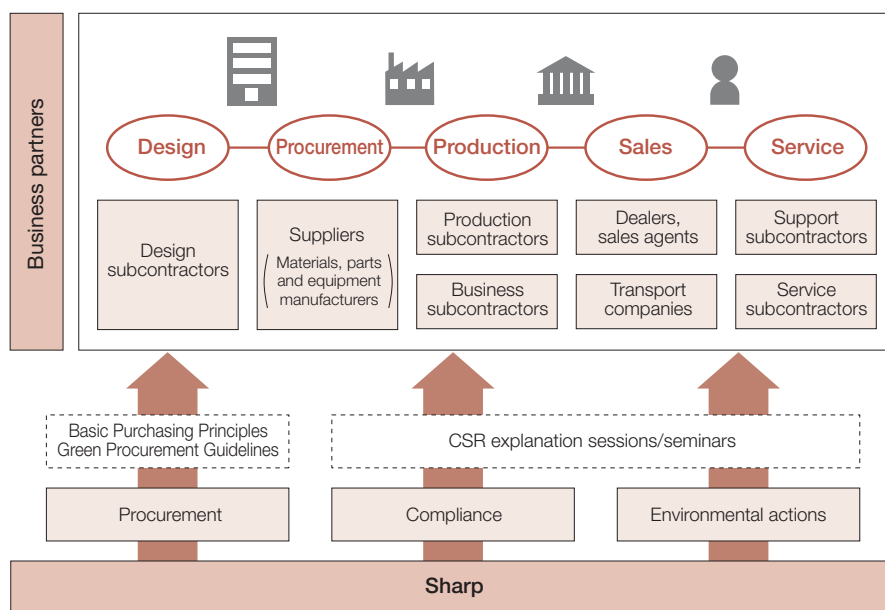
In fiscal 2005, targeting representatives of subcontractor companies engaging in business at Sharp sites in Japan (218 persons from 146 companies), Sharp held explanation sessions on labor management, safety and health management, environmental conservation and contracts. In fiscal 2006, Sharp will hold similar explanation sessions for representatives of the subcontractor companies, who are responsible for operations at each Sharp site in Japan.

To promote CSR efforts throughout the supply chain, Sharp has assigned supply chain CSR promoters at procurement departments and other related departments of each Sharp site in Japan.

To compile standard industry requests to suppliers and enable suppliers to check CSR efforts by themselves, Sharp participates in the "Supply Chain CSR Working Group" initiated by the JEITA (Japan

Electronics and Information Technology Industries Association) and is studying the formulation of a CSR guidebook together with other member companies.

■ Applying CSR to suppliers



Offering Information on Environmental Actions

Sharp hosted "Environmental Information Network" group seminars in Japan to exchange environment-related information with business partners in May 2005, and again in February 2006. With the participation of 97 companies (108 people) from all over Japan, Sharp provided information on its activities dealing with the revision of ISO 14001 standards in 2004, the trends concerning laws and regulations, and precautions in waste disposal.

At these seminars, companies that have already acquired ISO 14001 certification exchanged information about their environmental activities, while Sharp introduced a method to establish minimum environment management systems to companies that have not yet acquired ISO 14001.

Sharp will strengthen environmental efforts by continuing to place importance on communication with business partners in the future.



Environmental Information Network seminar

Fulfilling CSR together with Dealers

Sharp's sales and marketing departments in Japan, which directly engage with dealers, host seminars to provide information and training for dealers, to enable them to correctly understand the environmental performance of Sharp products. At these seminars, Sharp introduces its CSR concept and efforts, with the aim of creating partnerships to jointly pursue CSR in sales activities.