

For Business Partners

Mutual Prosperity with Suppliers and Dealers

Sharp conducts its procurement activities on the basis of fair evaluation, ensuring that all companies are provided with equal opportunities. Sharp is building relationships of cooperation and trust with business partners through dialogue that deepens mutual understanding. It is also Sharp's belief that CSR activities should apply to the entire supply chain, including its business partners.

| Actions in Fiscal 2007 | | Objectives for Fiscal 2008 |
|---|---|--|
| Objectives | Achievements | |
| <ul style="list-style-type: none"> Improve supply chain CSR measures | <ul style="list-style-type: none"> Constructed an online response system for the CSR Procurement Survey and conducted surveys targeting major suppliers in Japan | <ul style="list-style-type: none"> Expand implementation of supply chain CSR measures overseas Expand CSR Procurement Survey to local suppliers serving Sharp's overseas bases |

Equal Opportunity and Fair Evaluation for All Domestic and Overseas Suppliers

With production activities around the world, Sharp procures parts, materials, and equipment based on the concept of providing equal opportunities to all domestic and overseas suppliers. It also fairly evaluates whether the procurement meets Sharp's requirements for quality, standards, and performance.

Sharp has stipulated Basic Purchasing Principles that clearly define the fundamentals of impartial and fair purchasing and that promote the development of cooperation and trust with business partners. Sharp thus pursues a prosperous coexistence with its business partners.

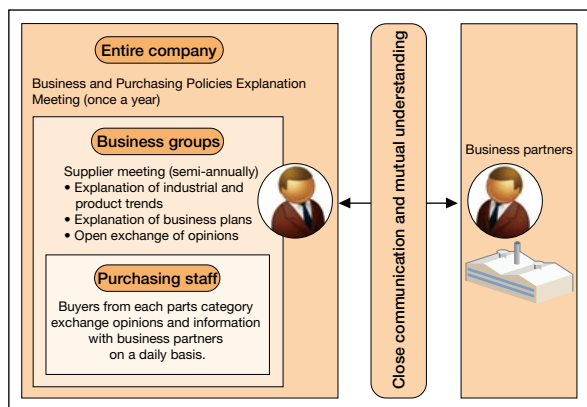
 Sharp Basic Purchasing Principles

Making CSR a Common Goal Across the Entire Supply Chain

In fulfilling its social responsibility in business activities as a manufacturer, Sharp must go beyond its group companies and include the network of business partners encompassing the entire supply chain.

Consequently, in 2004 and 2005, Sharp revised its Basic Purchasing Principles, which it had originally established in 1990, to include important requirements for suppliers, such as environmental conservation, compliance with laws and regulations, ensuring the security of confidential information, and promoting CSR activities.

Sharp will continue to fulfill CSR across the entire supply chain by constantly checking to see that its basic principles and requirements meet the needs of society, including respect for the law and social norms, and environmental conservation.

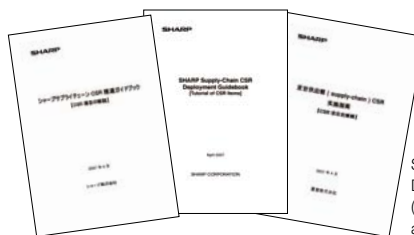


Approaching CSR Together with Suppliers

Sharp is promoting a variety of measures based on the concept of approaching CSR in concert with suppliers.

In fiscal 2004, Sharp first began to hold briefing sessions and seminars related to CSR on themes such as labor, health and safety management, and environmental conservation, targeting senior management of major suppliers as well as persons in charge at subcontractor companies engaged in production and other work at Sharp sites in Japan.

In addition, to enable suppliers to check their own CSR efforts at the international level, Sharp added its own content to the Supply-Chain CSR Deployment Guidebook issued by JEITA (Japan Electronics and Information Technology Industries Association) and created the Sharp Supply-Chain CSR Deployment Guidebook.



Sharp Supply-Chain CSR Deployment Guidebook (Japanese, English, and Chinese editions)


- Contents of Sharp Supply-Chain CSR Deployment Guidebook**
 - I. Human Rights and Labor
 - II. Occupational Health and Safety
 - III. Environment
 - IV. Fair Trading
 - V. Product Quality and Safety
 - VI. Information Security
 - VII. Contribution to Society

Since May 2007, this guidebook has been distributed to about 1,400 of Sharp's major suppliers in Japan, with a request that they use it to step up their efforts on items related to CSR.

To promote the CSR Procurement Survey, which provides Sharp with the results of self-checks based on this guidebook, Sharp has also constructed an online response system to enable suppliers to use the Internet to enter their answers. Sharp has held briefing sessions targeting suppliers, particularly subcontractors, to request their understanding of and cooperation in Sharp's CSR initiatives, and launched the CSR Procurement Survey in January 2008.

Depending on the status of a supplier's CSR efforts gleaned through their answers to the survey, Sharp will also request that the supplier take the necessary steps to improve their efforts.

In fiscal 2008, Sharp plans to extend the CSR Procurement Survey to suppliers in locations serving Sharp's overseas bases.

 Sharp Supply-Chain CSR Deployment Guidebook

Response to the Subcontract Act

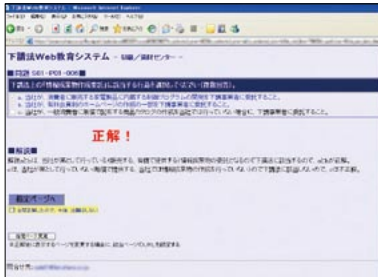
To comply with the Act Against Delay in Payment of Subcontract Proceeds, etc. to Subcontractors (the Subcontract Act), which protects the interests of subcontractors in Japan, Sharp is strengthening its measures for compliance checks and in-house education.

Regarding compliance checks, since 2002, Sharp's Corporate Procurement Center has conducted regular audits of all domestic business groups once a year.

In fiscal 2007, as a new initiative, Sharp began cross audits in which purchasing staff for each business group conduct an internal audit of other business groups. As a result, awareness of compliance with the Subcontract Act by all purchasing staff rose even higher, and at the same time, this initiative worked to promote the exchange of information on the status of compliance efforts among all business groups.

Regarding in-house education, Sharp also set up in March 2008 a Subcontract Act training system on its intranet to raise awareness and improve knowledge among staff belonging to purchasing and subcontractor supervision departments. This system, with a "one question a day" format, allows study sessions that take only a short time, and it is receiving favorable reviews.

Sharp will continue its efforts in fiscal 2008 by expanding the range of departments subject to compliance checks and in-house education to include, for example, engineering departments.



Online Subcontract Act training system

The user selects an answer to a question. If the answer is correct, an explanation is displayed. If the answer is incorrect, the same question is posed again in the days that follow until the answer selected is the correct answer.

Assisting Dealers in Their Efforts Toward the Environment

As dealers work to promote the sale of energy-efficient products and spread the knowledge of energy conservation to ordinary households, Sharp has been providing those dealers assistance via routine sales activities such as presenting ideas for in-store displays and planning exhibitions of environmentally conscious products, to help facilitate understanding of the benefits of energy-efficient products among consumers.

In fiscal 2007, under a commendation system entitled Dealer of Excellence in Promoting Energy-Efficient Products sponsored by the Energy Conservation Center, Japan, 55 dealers in regions where Sharp personnel provided assistance received certification as Dealer of Excellence.

In addition, from among those dealers, five also won various other awards, including the Environment Minister's Prize, the Agency for Natural Resources and Energy Director-General's Prize, and the Energy Conservation Center Chairman's Prize.

Words from the Winner of the Environment Minister's Prize

The salesperson from Sharp introduced us to examples of other dealers who had been certified as Dealers of Excellence, and so we felt we needed to promote our sales activities from the standpoint of environmental conservation. Our efforts to do just that led to us winning this prize.

We were surprised at the solemnity of the award ceremony, which was held at Tokyo Big Sight. We were also featured prominently in our local newspaper and we received a great response from our customers. We really have a sense of the significance of this award.

Receiving this award has given us encouragement, and we want to put even more energy into advising customers and showing them how to use consumer electronics in a way that effectively saves energy and resources.

Owners of Fukuoka Shoten, a Sharp dealer in Iwate Prefecture (winner of the Environment Minister's Prize)



Web Words from an award-winning dealer

OVERSEAS TOPICS

Global Suppliers Conference in Malaysia

The Malaysia Global Suppliers Conference was held in Kuala Lumpur in October 2007, with the participation of some 230 people from 161 suppliers. At this conference, Sharp executives in charge of procurement explained Sharp's policies as well as plans to expand local procurement. Then each base in Malaysia introduced business plans for the last half of 2007. Lastly, Sharp requested the cooperation of participants in ensuring a stable supply of parts and materials.

In addition, the executives in charge of CSR promotion described the CSR activities of the Sharp Group, and asked the suppliers to aggressively promote efforts toward CSR.



Malaysia Global Suppliers Conference

Participation in Reverse Trade Fairs Aggressively Promotes Local Procurement

A reverse trade fair is the opposite of a traditional trade show where manufacturers have booths that exhibit things for sale. Instead, manufacturers display parts and materials they want to procure locally, in an effort to seek new suppliers.

Sharp has exhibited at the International Sourcing Fair (Shanghai, China) every year since 2005. The number of visitors to this trade fair is increasing every year, and it represents a good opportunity to advance global procurement. This year, the Sharp booth featured a hands-on exhibit of sample parts and materials greater in number and more varied than ever. Business discussions proceeded easily, and Sharp received many inquiries about sourcing pressed, machined, and molded items.



Sharp's booth