

**Media release
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SHARP JAPAN BUILDS SECOND PLANT DUE TO PREDICTED LCD DEMAND

Sharp will build a second LCD plant at its Kameyama site in July this year due to a predicted steep increase in the popularity of LCD TV.

Sharp, the leaders in global LCD technology, will invest 150 billion yen in the plant, which is expected to be operational by October 2006.

Deputy Managing Director of Sharp Corporation of Australia, Denis Kerr, said by operating the latest state-of-the-art plant using the largest glass substrates in the world, Sharp will be ensuring a stable supply of larger LCD panels of 40 inches or more.

“Digital TV broadcasts are becoming increasingly popular in Europe, and digital high-definition TV broadcasts have begun in North America, and are becoming more popular in Australia,” Mr Kerr said.

“In Japan, digital TV broadcasts will reach 27 million households by the end of 2005, and this is expected to increase to 37 million by the end of 2006.

“We have predicted that the demand for digital broadcast-ready LCD TV sets will expand rapidly both inside and outside Japan, so production of LCD panels for TV will have to be expanded substantially, which is why Sharp decided to start construction of the second plant at Kameyama,” he said.

The second plant will be the first in the world to adopt 8th generation glass substrates, which is optimum for the production of 40-inch + and 50-inch + models.

Eight 40-inch + panels or six 50-inch + panels can be obtained from a single 8th generation substrate, which is the world's largest with sides measuring more than two metres. The second plant is expected to input 15,000 substrates per month, increasing to 30,000 panels after a second production line is started in 2007.

The 8th generation substrate is roughly double the size of the existing substrate used at Sharps first Kameyama plant, and together the two plants will be able to produce an expanded lineup of panels.

“In addition, in order to develop the market for 40-inch + and 50-inch + LCD TVs, the second plant will help enhance Sharp’s cost competitiveness, while making the most of the advantage that LCDs have over plasma TVs in full HDTV performance,” Mr Kerr said.

“New parts and materials for the second plant are being developed together with parts and materials manufacturers from the initial designing stage with a target of substantially reducing costs.

“Sharp will also aim to halve production lead-time and transportation distance within the plant by making changes to improve the production process.

“Once again Sharp leads the way in one-of-a-kind production innovation, and we expect to achieve twice the investment productivity (calculated in 45-inch equivalents) of the first plant,” he said.

For further information on Sharp and its products, visit www.sharp.net.au

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