

March 27, 2012

Sharp Establishes Strategic Global Partnership with Hon Hai Group

Sharp Corporation (hereinafter “Sharp”) entered into agreement today with Hon Hai group, the world’s leading EMS (electronic manufacturing service) company, to establish strategic global partnership to collaborate in various business fields, and to issue new shares to Hon Hai group through third-party allotment (hereinafter “the issuance of new shares through third-party allotment”).

The market surrounding electronics industry is becoming severe, with rapid price decline due to the development of digital technology and increasing competition in a global market. We believe the timely action is necessary to tackle these changes in the market.

Looking at the business environment, Hon Hai Precision Industry, the key company of Hon Hai group, saw Sharp’s LCD technology with high reputation, and decided to procure ultimately up to 50% of large-size LCD panels and LCD modules manufactured at the LCD panel plant in Sakai-city, Osaka, Japan. The LCD panel plant will be mutually managed by one company set by partner companies.

In addition, this partnership allows each company to establish a new business model, combining each company’s strength, to launch cost competitive component and products fit to market demand by utilizing Sharp’s potential for the development of one-of-a-kind components and products with Hon Hai group’s mounting technology and cost competitiveness.

Sharp plans to enhance this partnership by broadening the collaboration field, to allocate funds received from Hon Hai group by the issuance of new shares through third-party allotment, to the investment for the new technology introduction, to increase mid-and long-term profitability, and to strengthen competitive edge in the global market.

Overview of Strategic Partnership

1. Stabilize LCD panel plant operation in Sakai and strengthen cost competitiveness by purchasing power of Hon Hai Precision Industry

Hon Hai Precision Industry will procure ultimately up to 50% of LCD panels and LCD modules manufactured by SDP. Both companies will mutually take in part of the management through one company set by partner companies, which enables stable operation of the LCD panel plant in Sakai.

The two companies will take advantage of the economy of scale and material procurement in LCD panel and LCD TV fields, and will further enhance cost competitiveness in the global market.

* Share holding rate of SDP:

Current status:	Sharp:	Approx. 93%
	Sony:	Approx. 7%

After signing the partnership:	Sharp:	Approx. 46.5%
	Terry Gou and others including investment corporations:	Approx. 46.5%
	Sony:	Approx. 7%

2. The issuance of new shares to Hon Hai group through third-party allotment

Sharp will issue new shares to Hon Hai group through third-party allotment (the number of new shares to be issued: 121,649,000 shares)

* The issuance of new shares through third-party allotment and share holding rate after the issuance of new shares:

Hon Hai Precision Industry Co., Ltd.:	4.06%
Foxconn Technology Co., Ltd.:	0.65%
Foxconn (FAR EAST) Limited:	2.53%
Q-Run Holdings Limited:	2.64%