

December 4, 2012

Capital Alliance with Qualcomm, Inc. and Display Technology Development Agreement with its Subsidiary Pixtronix, Inc.

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Sharp Corporation (hereafter "Sharp") today announced that the Company has reached an agreement with Pixtronix Inc. (hereafter Pixtronix), a subsidiary of Qualcomm Incorporated (hereafter "Qualcomm", NASDAQ: QCOM), concerning the development of Pixtronix's MEMS^{*1} displays. In addition, Sharp signed the capital alliance agreement and will issue new shares by a third party allotment (hereafter "This Third Party Allotment") with Qualcomm Incorporated, a world leader in 3G, 4G and next-generation wireless technologies, as the allottee.

MEMS display to be developed jointly by the two companies is a display using ultrafine process technology and existing display manufacturing infrastructure with features including high color reproducibility and low-power consumption. The development for commercialization of MEMS display will be achieved by integrating Sharp's core display technology, IGZO^{*2} and MEMS display technology of Pixtronix.

In addition, Sharp is planning to accept up to 9.9 billion yen^{*3} from Qualcomm in equity investment to pursue this joint development. This capital will be used for the development of MEMS display and necessary capital investments related thereto targeting for the achievement of the technology for commercialization.

With this agreement, the two companies will consider the possibility of further collaboration of chipsets by Qualcomm Technologies, Inc., a wholly-owned subsidiary of Qualcomm Incorporated and IGZO-based display technology for lower power consumption and higher performance of mobile terminals.

With this agreement, Sharp will accelerate its strategy for growth in small- to medium-sized LCD business with IGZO-based display technology as its core, and expand its revenue and corporate value.

*1 MEMS: Micro Electro Mechanical Systems

*2 IGZO: IGZO (InGaZnO) is an oxide comprising indium (In), gallium (Ga), and zinc (Zn). A thin-film transistor using this material has been developed by Sharp in collaboration with Semiconductor Energy Laboratory Co., Ltd. (a company based in Kanagawa, Japan, and led by President Shunpei Yamazaki)

*3 Equivalent to 120 million U.S. dollars calculated by exchange rate of December 3, 2012

【Summary of the joint development and capital alliance】

1. Development for the Commercialization of Next Generation Display

- The next generation display will be jointly developed integrating Sharp's IGZO-based display technology and Pixtronix's MEMS display technology. The joint development will establish facilities in the LCD panel plant in Sharp Yonago Corporation (location: Yonago city, Tottori prefecture, Japan) for development of the technology for commercialization.
- The development for next generation displays and necessary investment will begin immediately. At the point when the development of the technology for commercialization is confirmed to be feasible, we will move to the next stage by implementation of equipment targeting to achieve mass production technology.

2. This Third Party Allotment

Sharp will issue new shares by third party allotment with Qualcomm as the allottee by each stage of joint development of the technology for commercialization. The second stage is contingent upon achieving certain milestones.