

Company Name: Sharp Corporation
Representative: Director & President
Kozo Takahashi
(Code No. 6753)

Notice Regarding Transfer of Consolidated Subsidiary Company (Transfer of Interests)

This is to announce that, at the board of directors' meeting held on February 3, 2015, Sharp Corporation ("Sharp") decided to transfer ("Interests Transfer") all interests in its consolidated subsidiary Recurrent Energy, LLC ("Recurrent"), which is indirectly owned through its consolidated subsidiary Sharp US Holding Inc. ("SUH"), to Canadian Solar Energy Acquisition Co. ("CSEA"), a US company of Canadian Solar Inc. ("Canadian Solar"), a Canadian solar energy company, and to dispose all shares of SUH owned by Sharp ("Share Transfer") (hereafter, the transfer to the above companies "Transfer of Shares and Other Items") to Momentum Partners, LLC ("Momentum"). A loss and a profit are expected respectively in connection with the transfer.

1. Reason for Transfer of Shares and Other Items

Sharp acquired Recurrent, a U.S.-based developer of solar projects, through its consolidated subsidiary SUH in November 2010 and made Recurrent its consolidated subsidiary (a subsidiary of a subsidiary). Recurrent is a developer of utility-scale solar projects mainly in the North American markets, developing and marketing solar power generation plants. By making Recurrent its consolidated subsidiary, Sharp extended its value chain from developing and producing solar cells and modules to developing solar power generation plants.

However, since Sharp has recorded an overall net loss in fiscal years 2011 and 2012, in May 2013, Sharp announced a Medium-term Management Plan as a corporate strategy for steadily achieving "recovery and growth." With regard to the solar power generation project business, Sharp established the basic strategies as below and has worked to convert it into an energy solution business:

- Expand the sales of Home Energy Management System (HEMS), including battery.
- Raise the proportion of value-adding businesses, such as improving the proportion of EPC sales for mega-solar projects, with value-added proposal.

Under these circumstances, Sharp has repeatedly examined strategies to improve the corporate value of Recurrent. However, as the development business needs sufficient funds for initial development costs, and its profits are highly variable. Therefore, Sharp has examined various solutions, including the sale of Recurrent.

Since Canadian Solar, which is a leading solar energy company based in Canada, approached Sharp to purchase 100% of the interests in Recurrent, Sharp decided to transfer all interests in Recurrent to CSEA, a US company of Canadian Solar. The Interests Transfer will be accompanied by a loss. After completing the Interests Transfer, Sharp intends to transfer all shares of SUH, the holding company of Recurrent (parent company), to Momentum. A gain, mainly by exchange gain is expected to occur in connection with this Share Transfer.

In this fiscal year, Sharp, in its solar cell business in Europe, withdrew from its solar power generation project business and joint venture business which produces solar panels. Together with this sale (transfer) of Recurrent, Sharp has worked on business restructuring with the intent of optimizing its value chain to improve the profitability of the solar cell business. After this, Sharp will further strengthen the energy solutions business and new businesses including PV thermal system combining solar power generation and solar thermal system in order to regrow the solar cell business.

2. Details of Transfer of Shares and Other Items

(1) Interests Transfer of Recurrent

a) Outline of Recurrent

1. Name	Recurrent Energy, LLC		
2. Location	300 California Street 7th floor San Francisco, CA 94104, USA		
3. Title/Name of representative	Arno Harris, CEO & Chairman		
4. Business	Development and sale of solar power generation plants		
5. Amount of capital	-		
6. Date of incorporation	June 9, 2006		
7. Investor and investment ratio	Sharp US Holdings Inc. 100.00%		
8. Relationship between Sharp and Recurrent			
Capital ties	SUH, of which Sharp holds 100% of the issued shares, holds 100% of the interests in Recurrent		
Personnel ties	One director, one executive officer and one employee of Sharp hold the post of director at Recurrent		
Business ties	There are no business ties between Sharp and Recurrent which should be noted herein.		
9. Business results and financial condition in the last three years (on a consolidated basis)			
Fiscal year	Ended March 31, 2012	Ended March 31, 2013	Ended March 31, 2014
Net assets (on a consolidated basis)	US\$46,701 thousand (3,836 million yen)	US\$84,070 thousand (7,902 million yen)	US\$358,182 thousand (36,864 million yen)
Total assets (on a consolidated basis)	US\$425,084 thousand (34,916 million yen)	US\$628,356 thousand (59,059 million yen)	US\$585,759 thousand (60,286 million yen)
Current net assets (on a consolidated basis) per share	—	—	—
Sales (on a consolidated basis)	US\$313,758 thousand (25,772 million yen)	US\$452,709 thousand (42,550 million yen)	US\$1,253,158 thousand (128,975 million yen)
Operating profit (on a consolidated basis)	US\$18,052 thousand (1,483 million yen)	US\$55,718 thousand (5,237 million yen)	US\$245,195 thousand (25,235 million yen)
Ordinary profit (on a consolidated basis)	—	—	—
Current net profit (on a consolidated basis)	US\$6,386 thousand (525 million yen)	US\$33,783 thousand (3,175 million yen)	US\$229,852 thousand (23,656 million yen)
Current net profit (on a consolidated basis) per share (yen)	—	—	—
Dividend per share (yen)	—	—	—

Note: The above business results are based on US dollars converted to yen at the rates of 82.14 yen (March 30, 2012), 93.99 yen (March 29, 2013), and 102.92 yen (March 31, 2014), respectively.

b) Outline of the counterparty to the Interests Transfer

1.	Company name	Canadian Solar Energy Acquisition Co.
2.	Location	2420 Camino Ramon, Ste 125, San Ramon, CA, USA 94583-4385
3.	Title/Name of representative	Michael G. Potter, Director
4.	Business	Investment purpose entity
5.	Amount of capital	US\$100 (approx. 12 thousand yen)
6.	Date of incorporation	Jan 22, 2015
7.	Net assets	US\$100 at incorporation (approx. 12 thousand yen)
8.	Total assets	US\$100 at incorporation (approx. 12 thousand yen)
9.	Major shareholders and shareholding ratio	Canadian Solar Inc. 100.00%
10.	Relationship between the Sharp and Recurrent	
	Capital ties	None
	Personnel ties	None
	Business ties	None
	Whether or not a "related person"	None

Note: For 5, 7 and 8 above, the yen equivalent is calculated using an exchange rate of US\$1/118.14 yen (as of January 22, 2015).

(Reference) Outline of the parent company of counterparty to Interests Transfer

1.	Company name	Canadian Solar Inc.
2.	Location	545 Speedvale Avenue West Guelph, Ontario, Canada N1k 1E6
3.	Title/Name of representative	Shawn Qu, President & CEO
4.	Business	provider of wafer, cell and module for solar power generation
5.	Amount of capital	US\$561,242 thousand (approximately 59.1 billion yen) (year ended December 31, 2013)
6.	Date of incorporation	October 22, 2001
7.	Net assets (on a consolidated basis)	US\$401,498 thousand (approximately 42.3 billion yen) (year ended December 31, 2013)
8.	Total assets (on a consolidated basis)	US\$2,453,735 thousand (approximately 258.6 billion yen) (year ended December 31, 2013)

Note: For 5, 7 and 8 above, the yen equivalent is calculated using an exchange rate of US\$1/105.40 yen (as of December 30, 2013).

c) The interests to be transferred, transfer price and the status of the interests before and after the transfer

1.	Interests before the transfer	100.0%
2.	Interests to be transferred	100.0% (transfer price: US\$265 million) (approx. 30.47 billion yen)
3.	Interests after the transfer	0.0%

Note: For 2 above, there is a possibility that the price of the transfer will be changed according to the balance sheet and any other financial conditions of Recurrent at the fixed date of the sale of Recurrent and changes in the dollar / yen currency rate. The yen equivalent is calculated using an exchange rate of US\$1 / 115.00yen.

d) Schedule

1.	Date of Board of directors' meeting of Sharp	February 3, 2015
2.	Conclusion date of the interests transfer agreement	February 3, 2015 (Japan time)
3.	Effective date of the transfer of the interests	March, 2015 (planned)

Note: For 3 above, there is a possibility that the effective date of the transfer of the interests will be changed due to the procedures for the permission from the competition authority.

(2) Share Transfer of SUH

a) Outline of SUH

1. Name	Sharp US Holding Inc.		
2. Location	300 California Street 7th floor San Francisco, CA 94104, USA		
3. Title/Name of representative	Shinichiroh Yahiro, Chairman		
4. Business	Holding company of Recurrent Energy, LLC		
5. Amount of capital	US\$ 1		
6. Date of incorporation	September 20, 2010		
7. Major shareholders and shareholding ratio	Sharp Corporation 100.00%		
8. Relationship between Sharp and Recurrent			
Capital ties	Sharp holds 100% of the issued shares of SUH		
Personnel ties	2 members from Sharp hold the post of directors at SUH		
Business ties	There are no business ties between Sharp and SUH which should be noted herein.		
9. Business results and financial condition in the last three years (on a consolidated basis)			
Fiscal year	Ended March 31, 2012	Ended March 31, 2013	Ended March 31, 2014
Net assets (on a consolidated basis)	US\$293,814 thousand (24,134 million yen)	US\$321,130 thousand (30,183 million yen)	US\$299,685 thousand (30,844 million yen)
Total assets (on a consolidated basis)	US\$651,695 thousand (53,530 million yen)	US\$846,191 thousand (79,533 million yen)	US\$701,590 thousand (72,208 million yen)
Current net assets (on a consolidated basis) per share	US\$2,938 thousand (241 million yen)	US\$3,211 thousand (302 million yen)	US\$2,997 thousand (308 million yen)
Sales (on a consolidated basis)	US\$336,658 thousand (27,653 million yen)	US\$452,709 thousand (42,550 million yen)	US\$1,253,158 thousand (128,975 million yen)
Operating profit (on a consolidated basis)	US\$8,536 thousand (701 million yen)	US\$38,279 thousand (3,598 million yen)	US\$219,585 thousand (22,600 million yen)
Ordinary profit (on a consolidated basis)	—	—	—
Current net profit and loss (on a consolidated basis)	(US\$2,101 thousand) ((173 million yen))	US\$31,488 thousand (2,960 million yen)	(US\$23,096 thousand) ((2,377 million yen))
Current net profit and loss (on a consolidated basis) per share (yen)	(US\$21 thousand) ((2 million yen))	US\$315 thousand (30 million yen)	(US\$231 thousand) ((24 million yen))
Dividend per share (yen)	—	—	—

Note: The above business results are based on US dollars converted to yen at the rates of 82.14 yen (March 30, 2012), 93.99 yen (March 29, 2013), and 102.92 yen (March 31, 2014), respectively.

b) Outline of the counterparty of Share Transfer

1. Name	Momentum Partners, LLC
2. Location	1700 Montgomery Street, Suite 125, San Francisco, CA 94111, USA
3. Title/Name of representative	Jason Eric McAlpine, Founder & Managing Partner
4. Business	Financial Advisory and Investment Firm
5. Amount of capital	N/A (data not disclosed due to non-listed company)
6. Date of incorporation	June 4, 2014
7. Net assets	N/A (data not disclosed due to non-listed company)
8. Total assets	N/A (data not disclosed due to non-listed company)
9. Investor and investment ratio	Jason Eric McAlpine (90.0%) Timothy T. Lipton (10.0%)
10. Relationship between Sharp and Recurrent	
Capital ties	None

Personnel ties	None
Business ties	None
Whether or not a “related person”	None

c) Outline of The shares to be transferred, transfer price and the status of the shares before and after the transfer

1.	Shares before the transfer	100 shares (proportion of holding shares: 100.0%)
2.	Shares to be transferred	100 shares (transfer price:US\$1 (115 yen))
3.	Shares after the transfer	0 share (proportion of holding shares: 0.0%)

Note: For 2 above, the yen equivalent of the transfer price is calculated using an exchange rate of US\$1 / 115.00yen, but the amount may vary by the fluctuation of yen / US dollar currency rate.

d) Schedule

1.	Date of Board of directors’ meeting of Sharp	February 3, 2015
2.	Conclusion date of the share transfer agreement	February 3, 2015 (Japan time)
3.	Effective date of the transfer of the shares	March 2015 (plan)

Note: For 3 above, effective date of the transfer of the shares will be after the completion of Interests Transfer of Recurrent.

3. Future prospects

Accompanying the Interests Transfer, the financial impact expected is a decrease of 8,899 million yen in the current net profit in the consolidated accounts of the third quarter of the year ending March 31, 2015. Accompanying the sale of SUH, which is the holding company of Recurrent, the financial impact expected is an increase of 9,000 million yen in the current net profit mainly by exchange gain in the fourth quarter of the year ending March 31, 2015. The financial impact of the total profit accompanying the sales of Recurrent and SUH on Sharp’s consolidated financial results for the full year ending March 31, 2015, is estimated to be immaterial.

Today, Sharp has revised the forecast of the results for the year ending March 31, 2015. For detail, please see “Notice of Revision of Financial Results Forecast for the Year Ended March 31, 2015”.

Note: The amount of the increased financial impact accompanying the sale of SUH may be changed according to the balance sheet of Recurrent at the fixed date of the sale of Recurrent and the other items including exchange rate between yen and US dollars at the fixed date of the sale of SUH.

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