

June 23, 2016

[Translation]

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

Notice regarding the reassignment from the First Section Market issue to the Second Section Market issue in the Tokyo Stock Exchange and the entry into delisting grace period

Today, Sharp Corporation (“Sharp”) received a notice from the Tokyo Stock Exchange, Inc. stating that Sharp’s common shares will be reassigned from the First Section Market to the Second Section Market, and that such shares were designated as an issue in a grace period under the delisting criteria (liabilities in excess of assets); therefore, Sharp hereby announces as follows.

These measures were taken because it was confirmed that Sharp group (“Group”) has fallen into liabilities in excess of assets from the Consolidated Financial Statements of the Annual Securities Report of the year ended March 2016, which Sharp filed with the Kinki Local Finance Bureau today, and thus, fell under a case prescribed in Rule 311, Paragraph 1, Item 5 and Rule 601, Paragraph 1, Item 5 of the “Securities Listing Regulations” (liabilities in excess of assets).

1. Statutory disclosure document on the basis of this measure

Annual Securities Report (From April 1, 2015 to March 31, 2016)

2. Background of falling into liabilities in excess of assets

The Group has established the “Medium-Term Management Plan for Fiscal 2015 through 2017” in May last year, and has furthered restructuring innovations; however, due to reasons, such as a decrease in the sales of liquid crystals for smartphones for the Chinese market, and moreover, because restructuring innovation costs and impairment loss were posted to the extraordinary loss, the Group posted a net loss attributable to shareholders of the parent company of 255.9 billion yen for the previous consolidated fiscal year. Furthermore, as a result of a decrease in foreign currency translation adjustments and accumulated adjusted amount pertaining to retirement benefits, Sharp’s equity capital fell into liabilities in excess of assets in the amount of 43 billion yen.

3. Reassignment date and delisting grace period

Date of reassignment to the Second Section Market: August 1, 2016

Delisting grace period: From April 1, 2016 to March 31, 2017

4. Future outlook

The Group has entered into a strategic alliance with Hon Hai Precision Industry Co., Ltd. (“Hon Hai Precision Industry”) and executed a share subscription agreement on April 2, 2016 with Hon Hai Precision Industry, Foxconn (Far East) Limited, a wholly-owned subsidiary of Hon Hai Precision Industry, Foxconn Technology Pte. Ltd., and SIO International Holdings Limited regarding the issuance of new shares (common shares and Class C Shares) of the total amount of

approximately 388.8 billion yen through third party allotments (the “Capital Increase Through Third-Party Allotment”).

After satisfaction of the conditions precedent to the payment prescribed in the share subscription agreement, and the completion of the payment regarding the Capital Increase Through Third-Party Allotment, the liabilities in excess of assets will be resolved. Further, the Group will improve its profitability and strengthen its financial basis through future expanded sales and enhanced cost competitiveness, brought by the strategic alliance with Hon Hai Precision Industry.

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