

[Translation]

Company Name: Sharp Corporation
Representative: J.W. Tai
President & Chief Executive Officer
(Code No. 6753)

Notice Regarding Absorption-Type Mergers among Three Wholly-Owned Subsidiaries

Sharp Corporation (“Sharp”) announces that its wholly owned subsidiaries, Sharp Business Solutions Corporation (“SBS”) and iDeep Solutions Corporation (“IDS”) and a wholly-owned subsidiary of IDS (sub-subsidiary of Sharp), iDeep Global Labs Corporation (“IDGL”) have resolved at the Board of Directors meeting of each company held today to perform mergers (the “Mergers”), and entered into a merger agreement.

Some disclosure items and details have been omitted because the Mergers will be performed as absorption-type mergers among wholly owned subsidiaries of Sharp.

1. Purpose of the Mergers

Under the new management system established in August of this year, Sharp held up its policy of “One SHARP” aiming to heighten its overall strength by all of its businesses cooperating with each other, and declared its management policy to the effect that Sharp satisfies the expectations of various stakeholders through expanding its business. Furthermore, Sharp established a new corporate motto, “Be Original,” to which Sharp gives the meaning to the effect that it provides each customer with products and services overflowing with Sharp’s originality, inheriting its founding spirit of “Sincerity and Creativity”.

In addition, by utilizing its broad range of businesses and technology as well as product planning ability, in order to demonstrate the comprehensive strength of the Sharp organization for the purpose of realizing a smart society through “People-Oriented IoT” that only Sharp provides, Sharp has been looking into various measures, including measures to maximize synergies by enhancing cooperation among its businesses and to enhance the efficiency of management by effectively using the management resources of all the companies.

Under these circumstances, Sharp considered various options concerning IDS, which provides crowd services including a web conference service, “TeleOffice”, and its subsidiary IDGL, which engages in software development and the like. After various considerations, Sharp decided that promoting efficient operations through the transfer of all of the business of IDS and IDGL to SBS, which engages in sales of and support for Sharp business solution devices and software, the integration and optimal alignment of its management resources, and the establishment of a structure to promptly respond to customers’ demands would contribute to enhancing the corporate value of the Sharp group. Consequently, Sharp decided to perform the merger of three companies.

2. Summary of the Mergers

(1) Merger method

<First Merger>

An absorption-type merger in which IDS is the surviving company and IDGL is the disappearing company will be implemented, and IDGL will be dissolved.

<Second Merger>

Subject to the effectuation of the first merger, an absorption-type merger in which SBS is the surviving company and IDS, after the first merger, is the disappearing company will be implemented, and IDS will be dissolved.

(2) Schedule for the Mergers

The first and second mergers will be implemented at SBS, IDS and IDGL, based on the following schedule.

The Board of Directors meeting to resolve the Merger:	November 22, 2016
Conclusion date of the merger agreement:	November 22, 2016
The general meeting of shareholders to approve the merger agreement:	November 24, 2016 (Note)
Effective date of the Merger:	January 1, 2017

Note: The first of the Mergers falls under a short form merger for IDGL as provided in Article 784, paragraph 1 of the Companies Act; therefore, IDGL plans to perform its merger without the approval of a general meeting of shareholders in relation to the merger agreement.

(3) Content of allocation pertaining to the Mergers

There will be no delivery of money, etc. in lieu of IDGL’s shares due to the first merger because the first merger will be an absorption-type merger between IDS and IDS’s wholly owned subsidiary, IDGL, nor will IDS issue new shares nor increase its capital.

There will be no delivery of money, etc. in lieu of IDS’s shares due to the second merger because the second merger will be an absorption-type merger between Sharp’s wholly owned subsidiaries, nor will SBS issue new shares nor increase its capital.

(4) Treatment of stock acquisition rights and bonds with stock acquisition rights of the disappearing company

Not applicable.

3. Outline of the companies involved in the Mergers (as of October 31, 2016)

(1) Name	Sharp Business Solutions Corporation	iDeep Solutions Corporation	iDeep Global Labs Corporation
(2) Details of Business	Mainly sales of system equipment, commercial displays, document products and others and support services as well as comprehensive solution services including consulting and system planning	Mainly crowd services including “TeleOffice” and its incidental business such as sales of hardware, maintenance services and consulting	Mainly crowd services including “TeleOffice” as well as development and sales of software and apparatus, and consulting
(3) Date of Establishment	March 28, 1977	September 1, 2010	October 28, 2010
(4) Location	Sharp Makuhari Building, 1-9-2, Nakase, Mihama-ku, Chiba City	4-1-23, Heiwajima, Ota-ku, Tokyo	4-1-23, Heiwajima, Ota-ku, Tokyo
(5) Name and Title of Representative	Kimihito Yamasaki, President and Representative Director	Koichi Tamura, President and Representative Director	Shunichiro Nakayama, President and Representative Director
(6) Capital	1,638,849 thousand yen	450,000 thousand yen	13,801 thousand yen
(7) Number of Issued Shares	1,378,888 shares	87,000 shares	16,601 shares
(8) Fiscal Year End	March 31	March 31	March 31
(9) Major Shareholder and Shareholding Ratio	Sharp 100%	Sharp 100%	IDS 100%
(10) Financial Conditions and Operating Results for the Most Recent Fiscal Year (Non-consolidated)			
Fiscal Year Ended	Fiscal year ended March 2016	Fiscal year ended March 2016	Fiscal year ended March 2016
Net Assets	6,864,389 thousand yen	741,597 thousand yen	14,762 thousand yen
Total Assets	42,528,940 thousand yen	959,803 thousand yen	35,119 thousand yen
Net Assets per Share	4,978.20 yen	8,524.10 yen	889.24 yen
Proceeds of Sale	118,672,872 thousand yen	675,261 thousand yen	178,350 thousand yen
Operating Income	2,880,537 thousand yen	70,397 thousand yen	859 thousand yen
Ordinary Profit	3,283,476 thousand yen	89,767 thousand yen	897 thousand yen
Net Income	965,881 thousand yen	69,437 thousand yen	52 thousand yen
Net Income per Share	700.47 yen	798.13 yen	3.14 yen
Dividends per Share	469 yen	0 yen	0 yen

4. Status after the Mergers

No changes will be made to the name, location, name and title of the representative, details of business, capital, and fiscal year end of SBS, which is the surviving company, due to the Mergers.

5. Future outlook

The impact of the Mergers on Sharp's results will be minor as the Mergers are mergers among wholly-owned subsidiaries.

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