

November 29, 2016

[Translation]

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

**Notice Regarding the Business Alliance with ChengDu Jusda Supply Chain Management Co., LTD.,
and the Establishment of a New Company
(Update of the Previous Disclosure)**

While Sharp Corporation (“Sharp”) announced that it would enter into a business alliance with ChengDu Jusda Supply Chain Management Co., LTD. (“JUSDA”) and newly establish SHARP JUSDA Logistics Corporation (“SJL”) in the “Notice Regarding the Business Alliance with ChengDu Jusda Supply Chain Management Co., LTD., and the Establishment of a New Company” (the “Initial Release”) as of September 30 of this year, Sharp would now like to announce that it has decided at this time that SJL will increase its capital by issuing new shares, and JUSDA International Limited, which is the subsidiary of JUSDA, and Sharp will subscribe for the new shares.

1. Reason for the business alliance and the capital increase of SJL

As announced in the Initial Release, Sharp formed a business alliance with JUSDA and aggregated into SJL the logistics operations which Sharp has conducted, as well as discussed with JUSDA how the business alliance would be carried out through SJL. Now, in order to achieve increased profits by “making the logistics efficient and reducing the logistics costs” and through a “business expansion by offering logistics solutions to external customers,” which are the reasons for establishing SJL, Sharp has decided that it is indispensable that Sharp directly receives logistics know-how by cooperatively managing SJL with JUSDA.

2. Outline of SJL after increasing the capital

| | | |
|--------|--|--|
| (i) | Name | SHARP JUSDA Logistics Corporation |
| (ii) | Location | 1 Takumi-cho, Sakai-ku, Sakai-shi |
| (iii) | Title and Name of Representative | Kathy Yang, Representative Director |
| (iv) | Details of Business | Freight transportation, freight transportation agency, warehousing, customs brokerage, and any business either incidental or related to them |
| (v) | Capital | 160 million yen |
| (vi) | Date of Establishment | October 3, 2016 |
| (vii) | Fiscal Year End | March 31 |
| (viii) | Total Assets | 320 million yen (this is the amount invested at establishment plus the amount of capital increase) |
| (ix) | Net Assets | 320 million yen (this is the amount invested at establishment plus the amount of capital increase) |
| (x) | Relationship between the Listed Company and the Relevant Company | |
| | Capital Relationship | Sharp will own 49% shares of the relevant company. |

| | | |
|--|---------------------------|---|
| | Personnel Relationship | Sharp will dispatch its officers to the relevant company. |
| | Transaction Relationship | The relevant company is scheduled to be entrusted with Sharp's logistics operations and the like. |
| | Status as a Related Party | The relevant company is a related company of Sharp, and falls under the category of a related party of Sharp. No related person or related company of the relevant company falls under the category of a related party of Sharp. |

3. Outline of the subscriber of SJL's capital increase

An outline of JUSDA International Limited, which is the subscriber of SJL's capital increase, is as follows.

Please refer to the Initial Release for an outline of JUSDA.

| | | | | |
|--------|--|--|--|--|
| (i) | Name | JUSDA International Limited | | |
| (ii) | Location | 10 Siu Hum Tsuen, Ka Lung Road, San Tin Yuen Long, N.T., Hong Kong | | |
| (iii) | Title and Name of Representative | Kathy Yang, Chairman | | |
| (iv) | Details of Business | Mainly logistics, transportation and investment business | | |
| (v) | Capital | 1 HKD (14 yen. Calculated at the exchange rate of 1 HKD = 14.48 yen as of November 28, 2016) | | |
| (vi) | Date of Establishment | March 27, 2014 | | |
| (vii) | Major Shareholder and Shareholding Ratio | 100% subsidiary of JUSDA that Hon Hai Precision Industry Co., Ltd. ("Hon Hai Precision Industry") indirectly owns 100%. | | |
| (viii) | Relationship between the Listed Company and the Relevant Company | | | |
| | Capital Relationship | The relevant company is indirectly 100% invested in by Hon Hai Precision Industry, Sharp's parent company (*1). Therefore, the relevant company is a subsidiary of Hon Hai Precision Industry. | | |
| | Personnel Relationship | There is no personnel relationship that needs to be stated between Sharp and the relevant company. Mr. J.W. Tai, Sharp's President and Chief Executive Officer, is the director of Hon Hai Precision Industry. | | |
| | Transaction Relationship | There is no transaction relationship that needs to be stated between Sharp and the relevant company. There is no transaction relationship that needs to be stated between any related person or related company of Sharp and those of the relevant company. | | |
| | Status as a Related Party | The relevant company is a subsidiary of Hon Hai Precision Industry, and the relevant company and every related company of the relevant company fall under the category of a related party of Sharp. No related person of the relevant company falls under the category of a related party of Sharp. | | |
| (ix) | Results of Operations and Fiscal Years (*2) | Financial Conditions of the Relevant Company for Previous Three | | |
| | Fiscal Year Ended | Fiscal year ending December 2013 | Fiscal year ending December 2014 | Fiscal year ending December 2015 |
| | Net Assets | - | 16,012 thousand US dollars (1,929,877 thousand yen) | 23,664 thousand US dollars (2,852,406 thousand yen) |
| | Total Assets | - | 33,947 thousand US dollars (4,091,595 thousand yen) | 55,143 thousand US dollars (6,646,988 thousand yen) |

| | | | |
|----------------------|---|--|--|
| Net Assets per Share | - | - | - |
| Proceeds of Sale | - | 76,579 thousand US dollars (9,230,074 thousand yen) | 178,424 thousand US dollars (21,507,209 thousand yen) |
| Operating Income | - | 16,422 thousand US dollars (1,979,378 thousand yen) | 27,633 thousand US dollars (3,330,837 thousand yen) |
| Ordinary Income | - | 16,422 thousand US dollars (1,979,311 thousand yen) | 27,573 thousand US dollars (3,323,681 thousand yen) |
| Net Income | - | 16,012 thousand US dollars (1,929,877 thousand yen) | 22,977 thousand US dollars (2,769,644 thousand yen) |
| Net Income per Share | - | - | - |
| Dividend per Share | - | - | - |

*1 In this notice, the judgment that Hon Hai Precision Industry is Sharp's parent company and other judgements relating to the related company and the related party are based on the facts recognized by Sharp pursuant to Japanese law, regulations, and accounting standards. Such judgments are not made based on laws, regulations, or accounting standards other than those of Japan.

*2 In the above results, the conversion was based on 1 US dollar = 120.53 yen (as of December 30, 2014) for the fiscal year ending December 2014, and 1 US dollar = 120.54 yen (as of December 30, 2015) for the fiscal year ending December 2015.

4. Number of acquired shares, acquisition price, and the status of shares held before and after the capital increase

(1) Number of shares at establishment: 100,000 shares (ratio of voting rights: 100%)
The amount to be paid in: 100 million yen (1,000 yen per share)

(2) Number of acquired shares and acquisition price by the capital increase

Total 220,000 shares (acquisition price 220.0 million yen. 1,000 yen per share)
(breakdown)

Sharp 56,800 shares (acquisition price 56.8 million yen. 1,000 yen per share)

JUSDA International Limited 163,200 shares (acquisition price 163.2 million yen 1,000 yen per share)

(3) The status of shares held after the capital increase

Sharp 156,800 shares (ratio of voting rights: 49%)

JUSDA International Limited 163,200 shares (ratio of voting rights: 51%)

5. Schedule

(1) Date of establishment and business initiation of SJL: October 3, 2016

(2) Date of conclusion of business alliance agreement with JUSDA and shareholders meeting of SJL (resolution of new shares): November 29, 2016

(3) Date of payments to SJL from Sharp and JUSDA International Limited: December 1, 2016

6. Future outlook

The transactions' impact on Sharp's consolidated results will be minor.

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