

[Translation]

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

Notice Regarding Joint Venture Through Business Alliance with Mango International Group Limited

Sharp Corporation (“Sharp”) announces today that it has decided to enter into a business alliance with Mango International Group Limited (“Mango”), which is operating a free smartphone rental service called “handy” around the world, including in Hong Kong and Singapore (the “Service”), and to conduct a free rental service business as a joint venture business mainly in Japan.

1. Background of the business alliance

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 realize a smart society through “People-Oriented IoT” that only Sharp provides, Sharp has been looking into various measures aimed at operating a package business including software and its services, not only a hardware business. Under these circumstances, today Sharp has decided to enter into a business alliance with Mango, which operates the “handy”, free smartphone rental service called “handy” for hotel lodgers around the world, including in Hong Kong and Singapore, and is starting to operate the Service in the Japanese domestic market.

The travel market of Japan is expected to have a steadily increasing number of lodgers in domestic hotels in the future, and businesses related to such lodgers will also expand, for example, the Japanese government aims to double the number of travelers to Japan, from 19.74 million in 2015 to 40 million in 2020. Sharp will operate the Service in Japan jointly with Mango, and will aim to create a synergy mainly with its smartphone business and AIoT cloud business.

2. Outline of the business alliance

(1) Details of business of the joint venture by the business alliance

[Sharp] will engage in business operations involving a free rental service of smartphones (“handy”) for lodgers in domestic hotels, etc. jointly with Mango and will provide smartphones made by Sharp in operations for the Service.

In addition, handy Japan Co., Ltd. (“handy Japan”) will operate this business as the operating company after Sharp acquires handy Japan Holdings Company Limited (“hJH”)’s shares by contributing all the shares of handy Japan (equivalent to 3,000 million yen), which Sharp established,

in kind to hJH, which Mango established.

(2) Outline of the joint venture company

(i) Name	handy Japan Holdings Company Limited
(ii) Location	Craigmuir Chambers, Road Town, Tortola, VG 1110, British Virgin Islands
(iii) Title and Name of Representative	Director, Kwok Terence Chung-yin
(iv) Details of Business	Holding company
(v) Capital	50 thousand US dollars (5,898 thousand yen. Calculated at the exchange rate of 1 US dollar = 117.96 yen. As of December 21, 2016. Hereinafter, the exchange rate is the same unless otherwise specified.)
(vi) Date of Establishment	October 26, 2016
(vii) Fiscal Year Ended	December 31
(viii) Total Assets	50 thousand US dollars (as of October 26, 2016) (5,209 thousand yen. Calculated at the exchange rate of 1 US dollar = 104.17 yen. As of October 26, 2016.)
(ix) Net Assets	50 thousand US dollars (as of December 26, 2016) (5,209 thousand yen. Calculated at the exchange rate of 1 US dollar = 104.17 yen. As of October 26, 2016.)
(x) Major Shareholder and Shareholding Percentage	Mango 100%

(3) Outline of the operating company (as of December 22, 2016)

(i) Name	handy Japan Co., Ltd.
(ii) Location	1-9-2, Nakase, Mihama-ku, Chiba-shi
(iii) Title and Name of Representative	Representative director, Yoshiro Nakano
(iv) Details of Business	Telecommunications business, as well as providing services for information communication, information processing and providing and leasing movable property, such as mobile terminals, etc.
(v) Capital	2,500 thousand yen
(vi) Date of Establishment	December 2, 2016
(vii) Major Shareholder and Shareholding Percentage	Sharp 100%
(viii) Total Assets	5,000 thousand yen (as of December 2, 2016)
(ix) Net Assets	5,000 thousand yen (as of December 2, 2016)
(x) Relationship between the Listed Company and the Relevant Company	
Capital Relationship	Sharp holds 100% of shares of the relevant company.
Personnel Relationship	Sharp will dispatch its officer to the relevant company.
Transaction Relationship	Sharp plans to sell its products to the relevant company.

3. Outline of the other party of the business alliance

(i) Name	Mango International Group Limited
(ii) Location	PO Box 957, Offshore Incorporations Centre, Road Town, Tortola, British Virgin Islands
(iii) Title and Name of	CEO, Kwok Terence Chung-yin

Representative			
(iv) Details of Business	Holding company		
(v) Capital	153,354 thousand US dollars (18,090 thousand yen.)		
(vi) Date of Establishment	February 21, 2012		
(vii) Major Shareholders and Shareholding Percentage	Web Castle Holdings Limited 36.5% Jumbo Eagle Investments Limited 34.8% Long Ample Limited 12.5%		
(viii) Relationship between the Listed Company and the Relevant Company			
Capital Relationship	There is no capital relationship that needs to be stated between Sharp and the relevant company. There is no capital relationship that needs to be stated between any related person or related company of Sharp and those of the relevant company.		
Personnel Relationship	There is no personnel relationship that needs to be stated between Sharp and the relevant company. There is no personnel relationship that needs to be stated between any related person or related company of Sharp and those of the relevant company.		
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 or any related person or related company of the relevant company does not fall under the category of a related party of Sharp.		
(ix) Results of Operations and Financial Conditions of the Relevant Company for the Previous Three Fiscal Years (*)			
Fiscal Year Ended	Fiscal year ended December 2013	Fiscal year ended December 2014	Fiscal year ended December 2015
Consolidated Net Assets	307 thousand US dollars (32,358 thousand yen)	2,099 thousand US dollars (252,992 thousand yen)	922 thousand US dollars (111,138 thousand yen)
Consolidated Total Assets	883 thousand US dollars (93,068 thousand yen)	4,154 thousand US dollars (500,682 thousand yen)	6,849 thousand US dollars (825,578 thousand yen)
Consolidated Net Assets per Share	0.02 US dollars (2.11 yen)	0.08 U.S. dollars (9.64 yen)	0.13 U.S. dollars (15.67 yen)
Consolidated Sales	652 thousand US dollars (68,721 thousand yen)	1,168 thousand US dollars (140,779 thousand yen)	1,662 thousand US dollars (200,337 thousand yen)
Consolidated Operating Loss (-)	-6,530 thousand US dollars (-688,262 thousand yen)	-4,463 thousand US dollars (-537,925 thousand yen)	-8,437 thousand US dollars (-1,016,996 thousand yen)
Consolidated Ordinary Loss (-)	-6,530 thousand US dollars (-688,262 thousand yen)	-4,483 thousand US dollars (-540,336 thousand yen)	-8,458 thousand US dollars (-1,019,527 thousand yen)
Net Loss Attributable	-6,530 thousand US	-4,491 thousand US	-8,468 thousand US

to Owners of Parent (-)	dollars (-688,262 thousand yen)	dollars (-541,300 thousand yen)	dollars (-1,020,733 thousand yen)
Consolidated Net Loss per Share (-)	-0.14 U.S. dollars (-14.76 yen)	-0.09 U.S. dollars (-10.85 yen)	-0.16 U.S. dollars (-19.29 yen)
Dividends per Share	-	-	-

* In the above results, the conversion was based on 1 US dollar = 105.40 yen (as of December 30, 2013) for the fiscal year ended December 2013, 1 US dollar = 120.53 yen (as of December 30, 2014) for the fiscal year ended December 2014, and 1 US dollar = 120.54 yen (as of December 30, 2015) for the fiscal year ended December 2015.

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

(1) The status of hJH's shares held before the acquisition

Mango 640 common shares (percentage of voting rights: 100%)

(2) Classes and numbers of hJH's shares to be acquired by issuance of new shares and the acquisition price

Sharp 108 common shares and 252 class shares (total acquisition price: 3,000 million yen (*))

* Sharp will provide the shares of handy Japan to hJH as the contribution in kind. Before the contribution in kind, Sharp will increase handy Japan's capital by 2,995 million yen. (Total amount of Sharp's investment will be 3,000 million yen which will consist of 5 million yen at the establishment and 2,995 million yen at the time of the capital increase).

(3) The status of hJH's shares held after the acquisition

Mango 640 common shares (percentage of voting rights: 85.6%)

Sharp 108 common shares and 252 class shares (percentage of voting rights: 14.4%)

5. Schedule

(1) Date of Sharp's decision December 22, 2016

(2) Date of conclusion of business alliance agreement December 22, 2016

(3) Date of increase of capital of handy Japan by Sharp December 26, 2016 (to be fixed)

(4) Issuance of new shares to Sharp by hJH (the payment by the contributions in kind of handy Japan's shares by Sharp) December 28, 2016 (to be fixed)

6. Future outlook

The impact of this transaction on Sharp's results will be minor.

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