

June 29, 2018

[Translation]

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

**Notice Regarding Cessation of Issuance of New Shares and Secondary Offering of Existing Shares,  
and Withdrawal of Shelf Registration and Securities Registration Statement**

Sharp Corporation (the “Company”) has announced that, at a meeting of its board of directors held on June 29, 2018, it has determined to cancel the issuance of new shares by way of public offering, the accompanying secondary offering of the Company’s shares (secondary offering by way of over-allotment), and the issuance of new shares by way of third-party allotment (together, the “Issuance”) which had been previously determined at a meeting of its board of directors held on June 22, 2018 and to withdraw the shelf registration statement filed on June 5, 2018 (30-Kanto 2) and the securities registration statement filed on June 22, 2018.

1. Reason for Cancellation of the Issuance and Withdrawal of Shelf Registration and Securities Registration Statement

The Company previously determined, with a view to flexibly making growth investments and continuously declaring a dividend on its common shares, that it was necessary to strengthen its financial foundation through the “improvement of the quality of its capital” by acquiring all of its outstanding Class A Shares, and adopted and announced the resolution for the establishment of a “capital restructuring plan” which focused on the issuance of new common shares and the strengthening of its financial foundation through the acquisition of its Class A Shares. This determination occurred at a meeting of the Company’s board of directors held on June 5, 2018. Thereafter, the Company determined the Issuance at a meeting of its board of directors held on June 22, 2018 and announced it on the same day.

However, since such determination, the degree of instability of the stock market has increased due to trade friction between the United States and China and other factors. Therefore the Company has determined that the proposed Issuance does not maximize the benefit of its stakeholders, including existing shareholders, and further determined to cancel the Issuance and withdraw the shelf registration statement and the securities registration statement as described above.

2. Future Actions

(1) Class A Shares

The acquisition of 200,000 Class A Shares resolved at a meeting of its board of directors held on June 5, 2018 was subject to the effectiveness of the issuance of the Company’s common shares. The cancellation of Class A Shares resolved at a meeting of its board of directors held on June 22, 2018 was further subject to the acquisition of 200,000 Class A Shares by the Company. Because the Issuance will not occur, the acquisition and the cancellation of Class A Shares resolved at these meetings will also not be implemented. However, the Company acknowledges that Class A Shares (i) have a high preferred dividend, (ii) pose a risk of unintended dilution resulting from exercise of the put option by the holders of the Class A Shares with common shares as the consideration and (iii) create a risk of unpredictable cash expenditures by the Company as a result of exercise of the put option by the holders of the Class A Shares for cash consideration. Therefore, the Company believes that the status of Class A Shares should be addressed at an early stage, and will continue to discuss the acquisition of Class A Shares with the holders of Class A Shares based on the agreement between the Company and the holders of Class A Shares on June 5, 2018.

This press release does not constitute an offer or sale of securities in the United States. The securities referred to above have not been and will not be registered under the United States Securities Act of 1933, as amended (the “Securities Act”). The securities may not be offered or sold in the United States absent registration or an exemption from registration under the Securities Act. The securities referred to above will not be publicly offered or sold in the United States.

(2) Class C Shares

The acquisition of 341,000 Class C Shares by exercising the call option with 34,100,000 common shares as consideration and cancellation of Class C Shares so acquired, which was resolved at a meeting of its board of directors held on June 22, 2018, will continue to be implemented on July 23, 2018 as originally scheduled.

3. Future Prospects

Although the Company has determined to cancel the Issuance, the Company expects there to be no impact on its business and medium-term management plan.

The Company continues to move forward with the fundamental transformations under its Medium-Term Management Plan and to attempt to strengthen its competitiveness, enhance its results and strengthen its financial foundation by introducing major innovations in various areas through creating “People-Oriented IoT” devices and services and establishing an “8K Ecosystem”.

End

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