

December 26, 2018

For the Attention of All Stakeholders:

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

Notice of Corporate Spin-Off of the Electronic Device Business Division and Laser Business Division

Sharp Corporation has announced the decision, made at a meeting of the Board of Directors convened today, to spin off the IoT Electronics Devices Group's Electronic Device Business Division ("Electronic Device Business Division"), in part, and the Laser Business Division ("Laser Business Division") as two new subsidiaries of Sharp Corporation ("Subsidiary Companies") from April 1, 2019. This spin-off will be achieved through an absorption-type split of each division from Sharp Corporation ("Corporate Spin-Off").

Because this is an absorption-type split into wholly-owned subsidiaries, some disclosure matters and content are omitted.

1. Purpose of Corporate Spin-off

With the intent of enhancing its corporate value, Sharp Corporation is pursuing ongoing restructuring and transformation in line with its business vision of "Changing the World with 8K and AIoT."

As part of these efforts, and in order to be sensitive and responsive to the changing business environment, it was decided that the Electronic Device Business Division and Laser Business Division should be given more autonomous business structures as newly established subsidiaries created via an absorption-type split.

2. Summary of Corporate Spin-off

(1) Schedule

Date of resolution by Board of Directors	December 26, 2018
Establishment of Subsidiary Companies	January 2019 (provisional)
Date of split agreement signing	January 30, 2019 (provisional)
Scheduled date of implementation (effective date)	April 1, 2019

(2) Method of Spin-Off

Sharp Fukuyama Semiconductor Co., Ltd. ("SFS") and Sharp Fukuyama Laser Co., Ltd. ("SFL") will be established as subsidiary companies funded by Sharp Corporation.

These subsidiaries will be the successor companies in an absorption-type split, with Sharp Corporation being the splitting company, and after the absorption-type split each subsidiary will be the successor to the business described in (6) below; herein, all of these elements are collectively referred to as the "Absorption-type Split." Because the stipulations of Article 784, Paragraph 2 of the Companies Act regarding simple absorption-type company splits apply to Sharp Corporation, and the stipulations of Article 796, Paragraph 1 regarding informal company splits apply to SFS and SFL, no Shareholders' Meeting resolution will be sought prior to the spinning off of both SFS and SFL.

(3) Content of Allocation in the Absorption-type Split

At the time of the Absorption-type Split, neither SFS nor SFL will allocate shares or provide cash or other assets to Sharp Corporation.

(4) Handling of Share Options and Bonds with Share Options Accompanying the Absorption-type Split

There will be no change in the handling of new share options issued by Sharp Corporation.

(5) Capital Increase Accompanying the Absorption-type Split

No increase or decrease in the capital of Sharp Corporation, SFS or SFL will accompany the Absorption-type Split.

(6) Succession of Rights and Obligation to Successor Companies

i. Succession of Rights and Obligations to SFS

The assets and liabilities, as well as their attendant rights and responsibilities, belonging to Sharp Corporation's semiconductor and semiconductor application device/module business, optical device business, high frequency device and high frequency application module business, and semiconductor foundry business shall pass to SFS to the extent stipulated in the absorption-type split agreement signed between Sharp Corporation and SFS.

ii. Succession of Rights and Obligations to SFL

The assets and liabilities, as well as their attendant rights and responsibilities, belonging to Sharp Corporation's laser and laser application device/module business shall pass to SFL to the extent stipulated in the absorption-type split agreement signed between Sharp Corporation and SFL.

(7) Outlook for Fulfillment of Obligations

An assessment of the outlook for fulfillment of obligations by Sharp Corporation, SFS or SFL has found nothing which would present a problem.

3. Overview of Participants in the Absorption-Type Company Split

(1) Splitting Company

1. Name	Sharp Corporation	
2. Location	1 Takumi-cho, Sakai-ku, Sakai, Osaka, Japan	
3. Job title and name of representative	J.W. Tai, Chairman, President, and CEO	
4. Business description	Manufacture and sales of telecommunications equipment, electrical and electronic equipment, and electronic components	
5. Capitalization	5 billion yen	
6. Date established	May 1935	
7. Number of shares issued	533,411,921	
8. End of fiscal year	March 31	
9. Major shareholders and shareholding ratio	Hon Hai Precision Industry Co., Ltd.	24.4%
	Foxconn (Far East) Limited	17.2%
	Foxconn Technology Pte. Ltd.	12.1%
	SIO International Holdings Limited	6.9%
10. Consolidated operating results and financial condition of the company in the preceding fiscal year		
Net assets	401,713 million yen	
Total assets	1,908,461 million yen	
Net assets per share	267.48 yen	
Net sales	2,427,271 million yen	
Operating income	90,125 million yen	
Recurring profit	89,320 million yen	
Net income attributable to owners of parent	70,225 million yen	
Net income per share	106.07 yen	

(2) Succeeding Companies

	SFS	SFL
1. Name	Sharp Fukuyama Semiconductor Co., Ltd.	Sharp Fukuyama Laser Co., Ltd.
2. Location	1 Asahi, Daimon-cho, Fukuyama, Hiroshima, Japan	1 Asahi, Daimon-cho, Fukuyama, Hiroshima, Japan
3. Job title and name of representative	Kazuhiro Moritani, President	Kazuhiro Moritani, President
4. Business description	Design, development, and manufacture of electronic devices (semiconductors, LSIs, sensors, etc.)	Design, development, and manufacture of laser diodes
5. Capitalization	30 million yen	30 million yen
6. Date established	January 2019 (plan)	January 2019 (plan)
7. Number of shares issued	1,200 (plan)	1,200 (plan)
8. End of fiscal year	March 31	March 31
9. Major shareholder and shareholding ratio	Sharp Corporation 100%	Sharp Corporation 100%

Note: The succeeding companies of the company split are to be established in the near future, and thus there are no figures for operating results, etc. for the preceding fiscal year.

4. Overview of Businesses to Be Split

	Businesses to be split to SFS	Businesses to be split to SFL
1. Business description	Semiconductors and semiconductor-application devices and modules, optoelectronic devices, RF devices and RF-application modules, semiconductor foundry business	Lasers and laser-application devices and modules
2. Operating results (fiscal year ended March 2018)		
Net sales	73,500 million yen	12,900 million yen
3. Assets and liabilities to be split and their book value (as of September 30, 2018)		
Current assets	7,735 million yen	3,565 million yen
Fixed assets	4,435 million yen	2,970 million yen
Current liabilities	130 million yen	0 million yen
Fixed liabilities	10 million yen	0 million yen

Note: Operating results include internal sales to other segments.

3. Status Following the Absorption-type Split

There will be no change in the name, location, names and positions of executives, business content, capital and accounting period for Sharp Corporation.

No change in the location, names and positions of executives, business content, capital and accounting period for SFS and SFL is expected.

4. Future Outlook

The Absorption-type Split will have a small impact on Sharp Corporation's consolidated performance as a result of the absorption-type split process involved in creating the Subsidiary Companies.