

[Translation based on material released on Tokyo Stock Exchange by Sharp Corporation]

November 2, 2020

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

(Progress Disclosure) Transfer of Subsidiary Due to Acquisition of NEC Display Solutions to Become a Subsidiary of Sharp Corporation

Sharp Corporation (hereinafter “Sharp”) announces that, following NEC Display Solutions, Ltd. (hereinafter “NDS”) becoming a subsidiary of Sharp as of November 1, 2020, NEC Viewtechnology Trading Shenzhen), Ltd. (hereinafter “NVTS”) also becomes a subsidiary (sub-subsidiary) of Sharp, and is applicable as a specific subsidiary of Sharp.

Initially the acquisition of shares was scheduled on July 1, however, due to delay in regulatory approvals. Also, NDS has changed its company name to Sharp NEC Display Solutions, Ltd. (hereinafter “SNDS”) as of November 1, 2020, and will be described accordingly below.

1. Reason of Transfer

As described in Sharp’s “Announcement Regarding NEC Display Solutions Becoming a Subsidiary (Joint Venture) of Sharp Corporation” announcement on March 25, 2020, the acquisition of SNDS has been completed, and the 3 subsidiaries(*1) of SNDS became Sharp’s subsidiary (sub-subsidiary). Out of these, NVTS increased its capital in May 2020, and became applicable as a specific subsidiary of Sharp.

(*1) Previously 4 companies were announced as applicable, but S[quadrat] GmbH has already been absorbed to NEC display Solutions Europe GmbH.

2. Outline of Transferred Company

1. Name	NEC Viewtechnology Trading(Shenzhen),Ltd. (*2)
2. Location	Rm. 909, 9F, Changping Business Tower, 99 Honghua Road, Futian Free Trade Zone, Shenzhen, P.R. China
3. Job title and name of representative	Kinya Takayama, Chairman
4. Business description	Development, manufacturing, and sales of visual display products and visual display solutions
5. Capitalization	50,000,000CNY
6. Date established	June 2003
7. End of fiscal year	December
8. Major shareholder and shareholding ratio	SNDS 100%

9. Relationship between the listed company and the company in question			
Capital relationship	Sharp holds 66% shares of SNDS, the parent company of NVTS.		
Personnel relationship	There is no personnel relationship to be described between Sharp and NVTS.		
Business relationship	There is no business relationship to be described between Sharp and NVTS.		
10. Operating results and financial condition of the company during the last three years			
Fiscal year	Ended December 2017	Ended December 2018	Ended December 2019
Net assets (equity)	127,736,433 CNY	137,417,428 CNY	110,725,129 CNY
Total assets	615,263,582 CNY	462,070,939 CNY	438,888,083 CNY
Net assets per share	-	-	-
Net sales	2,295,218,069 CNY	1,402,817,410 CNY	1,354,242,121 CNY
Operating income	58,835,110 CNY	46,109,898 CNY	14,284,951 CNY
Recurring profit	-	-	-
Net income	42,935,763 CNY	33,126,369 CNY	10,547,727 CNY
Net income per share	-	-	-
Dividend per share	-	-	-

(*2) The company name is scheduled to be changed to Sharp NEC Display Solutions (China), Ltd. on January 2021.

3. Status of Share Ownership and Voting Rights

SNDS owns 100% of NVTS shares.

The transfer of NVTS occurred due to SNDS becoming a subsidiary of Sharp, and there is no change in share ownership of SNDS against NVTS.

Please refer to March 25, 2020 release "Announcement Regarding NEC Display Solutions Becoming a Subsidiary (Joint Venture) of Sharp Corporation" regarding transfer of SNDS.

4. Schedule

Transfer date: November 1, 2020

5. Future Prospects

The impact of this transaction on consolidated performance for the fiscal year ending March 31, 2021 is minor.

End