

[Translation based on material released on Tokyo Stock Exchange – Official version in Japanese only]

May 11, 2022

Company Name: Sharp Corporation
Representative Director: J.W. Tai
(Code No. 6753)

**(Progress Disclosure) Notice Regarding Schedule and Transfer of Specific Subsidiary
Related to Consolidation of Sakai Display Products Corporation by Sharp Corporation**

As announced on March 4, 2022 in our release “Notice Regarding Share Acquisition Agreement by Share Exchange (Simple Stock Swap) for Consolidation of Sakai Display Products Corporation by Sharp Corporation”, Sharp Corporation (hereinafter “Sharp”) resolved at its board meeting to make Sharp the wholly-owning parent company and Sakai Display Products (hereinafter “SDP”) the wholly-owned subsidiary by acquisition of SDP shares (hereinafter “Share Exchange”) and exchange shares based on Share Exchange (hereinafter “Share Exchange Agreement”), and made an agreement with World Praise Limited (hereinafter “WPL”), the major shareholder of SDP.

Following, all related approvals including competition law reviews have been completed, and by resolution at today’s board members meeting regarding this Share Exchange Agreement, the schedule etc. have been confirmed as below.

Based on Company Law article 796 section 2, the Share Exchange will be executed by simple stock swap that does not require approval by shareholders’ meeting.

With this Share Exchange Agreement, SDP becomes applicable as Sharp’s specific subsidiary.

1. Reason for Start of Discussions

The reason is as described in “1. Reason for Share Exchange” of “Notice Regarding Share Acquisition Agreement by Share Exchange (Simple Stock Swap) for Consolidation of Sakai Display Products Corporation by Sharp Corporation” announced on March 4, 2022.

2. Summary of Share Exchange Agreement

(1) Schedule of Share Exchange Agreement

Date of approval of Share Exchange Agreement (both parties): March 4, 2022

Date of agreement of Share Exchange Agreement (both parties): May 13, 2022 (plan)

Date of approval of shareholders’ meeting of Share Exchange Agreement (SDP): By June 30, 2022

Effective date of Share Exchange Agreement (transfer date of specific subsidiary): June 30, 2022 (plan)

For Sharp, based on Company Law article 796 section 2, the Share Exchange will be executed by simple stock swap that does not require approval by shareholders’ meeting.

(2) Method of Share Exchange Agreement

Shares will be exchanged making Sharp the wholly-owning parent company, and SDP the wholly owned subsidiary.

The Share Exchange Agreement will be executed at Sharp based on simple stock swap that does not require approval by shareholders’ meeting based on Company Law article 796 section 2, and

at SDP, following approval by shareholders' meeting by June 30, 2022, the effective date is scheduled as June 30, 2022.

(3) Allocation Related to Share Exchange Agreement

	Sharp (Wholly-Owning Parent Company)	SDP (Wholly-Owned Subsidiary)
Allocation Ratio of Share Exchange	11.45	1
Shares Issued by Share Exchange	Sharp common shares: 38,453,680 (plan)	

Note: Allocation rate of shares

Sharp will issue 11.45 common shares as allocation against 1 SDP stock. However, allocation by this Share Exchange will not be conducted for the 839,600 SDP shares owned by Sharp.

The allocation ratio related to the Share Exchange (hereinafter "Share Exchange Ratio") is subject to change upon discussion and agreement between both parties if any major changes occur in conditions that form the basis of calculation.

Note: Shares delivered with Share Exchange

Sharp common shares: 38,453,680

New shares are planned to be issued for its correspondence.

Note: Calculation of Allocation Related to Share Exchange Agreement

There are no changes of the basis regarding allocation related to Share Exchange Agreement as described in the "Notice Regarding Share Acquisition Agreement by Share Exchange (Simple Stock Swap) for Consolidation of Sakai Display Products Corporation by Sharp Corporation" released on March 4, 2022.

(4) Subscription Warrant and Warrant Bonds Related to Share Exchange

SDP does not issue subscription warrant or warrant bonds.

3. Outline of Parties Involved in Share Exchange

	Wholly-Owning Parent Company by Share Exchange	Wholly-Owned Subsidiary by Share Exchange
(1) Name	Sharp Corporation	Sakai Display Products Corporation
(2) Location	1 Takumi-cho, Sakai-ku, Sakai City, Osaka, Japan	1 Takumi-cho, Sakai-ku, Sakai City, Osaka, Japan
(3) Job title and name of representative	Representative Director Jeng-Wu Tai	Representative Director Leroy Yau
(4) Business description	Mainly manufacturing and sales of telecommunications equipment, electric and electronic application equipment, and electronic components	Development, manufacture, distribution, export and import of liquid crystal displays and other displays
(5) Capitalization	5 billion yen (as of end of December 2021)	32.485 billion yen
(6) Date established	May 1935	April 1, 2009
(7) Issued shares	611,952,858	4,198,000

(8)	Account Closing Date	March 31	December 31				
(9)	Number of Employees	48,064 (consolidated) (as of end of December 2021)	Approx. 1,150 (as of June 30, 2021)				
(10)	Main Clients	APPLE INC. General Interface Solution Limited	Samsung Electronics LG Electronics				
(11)	Main Banks	Mizuho Bank, Ltd. MUFG Bank, Ltd. Resona Bank, Limited	Mega International Commercial Bank Co., Ltd.				
(12)	Major shareholder and shareholding ratio (as of March 31, 2022 for Sharp)	HON HAI PRECISION INDUSTRY CO., LTD. 23.72% FOXCONN (FAR EAST) LIMITED 12.55% FOXCONN TECHNOLOGY PTE. LTD. 10.58% CTBC BANK CO., LTD. -ES PLATFORM LP 10.03% SIO INTERNATIONAL HOLDINGS LIMITED 5.75% The Master Trust Bank of Japan, Ltd. (Trust Account) 7.41% Custody Bank of Japan, Ltd. (Trust Account) 1.17% Nippon Life Insurance Company 0.78% Meiji Yasuda Life Insurance Company 0.75%	Sharp Corporation 20.00% World Praise Limited 80.00%				
(13)	Relationship between the listed company and the company in question						
	Capital relationship	Sharp owns 20.00% of SDP shares.					
	Personnel relationship	Sharp personnel are seconded to SDP.					
	Business relationship	Sharp has business relationship with SDP related to LCD panels and LCD modules.					
(14)	Operating results and financial condition of the company during the last three years (million yen)						
	Fiscal year	Sharp (Consolidated)			SDP		
		End of Mar. 2020	End of Mar. 2021	End of Mar. 2022	Fiscal 2019	Fiscal 2020	Fiscal 2021
	Net assets (equity)	270,959	364,139	481,017	115,891	13,880	20,841
	Total assets	1,811,907	1,927,226	1,956,288	348,295	260,470	248,845
	Net sales	2,262,284	2,425,910	2,495,588	99,920	105,211	229,962
	Operating income	51,464	83,112	84,716	(7,175)	(41,621)	9,330
	Recurring profit	50,175	63,175	114,964	(19,633)	(49,863)	220
	Net income	13,726	53,263	85,738	(19,642)	(101,994)	6,961

	Net asset per share	419.54	573.59	762.93	27,606.17	3,306.31	4,964.52
	Net income per share	22.47	87.20	140.37	(4,678.99)	(24,295.95)	1,658.28
	Dividend per share	18.0	30.0	40.0	0.0	0.0	0.0

Note: Since SDP does not perform consolidated closing, the figures are non-consolidated financial results.

4. Outline After Share Exchange

(1)	Name	Sharp Corporation
(2)	Location	1 Takumi-cho, Sakai-ku, Sakai City, Osaka, Japan
(3)	Job title and name of representative	Representative Director Jeng-Wu Tai
(4)	Business description	Mainly manufacturing and sales of telecommunications equipment, electric and electronic application equipment, and electronic component
(5)	Capitalization	5 billion yen
(6)	Account Closing Date	March 31
(7)	Net Assets	Not confirmed at this moment
(8)	Total Assets	Not confirmed at this moment

5. Outline of Accounting

Amount of goodwill due to Share Exchange is TBD at this moment.

6. Outline of Other Party Related to Acquisition of Shares

(1)	Name	World Praise Limited
(2)	Location	Vistra Corporate Services Centre, Ground Floor NPF Building, Beach Road, Apia, Samoa.
(3)	Basis for establishment	Samoa International Companies Act 1987
(4)	Reason for establishment	Investment Holding
(5)	Date established	March 8, 2001
(6)	Total amount of investment	USD 30 million
(7)	Investor / Invest ratio / outline of investor	1. 83.08% YAU LEROY (Representative Director of Sakai Display Products Corporation)
(8)	Relationship between the listed company and the fund in question	
	Relationship between the listed company and the fund in question	There is no relationship described with Sharp.

7. Future Prospects

Impact to Sharp's consolidated business results is currently under examination.

End