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FOR IMMEDIATE RELEASE

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Introduction of Plan Regarding Large-Scale Purchases of Sharp Corporation Shares (Anti-Takeover Plan)

For the purpose of protecting and increasing corporate value and benefits for all shareholders, Sharp Corporation (hereinafter referred to as “Sharp”) announced that its Board of Directors decided, at the Board of Directors Meeting held on April 26, 2006, to introduce a plan (hereinafter referred to as “Plan”), regarding purchases of Sharp’s share certificates or other securities by a group of shareholders* with an intent to obtain 20% or more of the total voting rights of Sharp, or purchases of Sharp’s share certificates or other securities resulting in a group of shareholders holding 20% or more of the total voting rights of Sharp, without the prior consent of the Board of Directors of Sharp. (A purchase of Sharp’s share certificates or other securities as described above shall be hereinafter referred to as a “Large-Scale Purchase.” A person or a company intending to conduct a Large-Scale Purchase shall be hereinafter referred to as a “Large-Scale Purchaser.”)

* A group of shareholders shall mean any of the following:

(i) a holder (defined in Paragraph 1, Article 27-23 of the Securities and Exchange Law of Japan, including a person deemed as a holder pursuant to Paragraph 3, Article 27-23 thereof) of share

certificates or other securities (defined in Paragraph 1, Article 27-23 of the Securities and Exchange Law of Japan) of Sharp, and any joint holders (defined in Paragraph 5, Article 27-23 of the Securities and Exchange Law of Japan, including a person deemed as a joint holder pursuant to Paragraph 6, Article 27-23) thereof, or

(ii) a person or a company who makes a purchase (defined in Paragraph 1, Article 27-2 of the Securities and Exchange Law of Japan, including a purchase made on a securities exchange market) of share certificates or other securities (defined in Paragraph 1, Article 27-2 of the Securities and Exchange Law of Japan) of Sharp, and any specially related parties (defined in Paragraph 7, Article 27-2 of the Securities and Exchange Law of Japan); hereinafter the same.

1. Action to Protect and Increase Corporate Value and Benefits for All shareholders

The Sharp Group has endeavored to increase corporate value and contribute to society through a “Spiral Strategy,” meaning the creation of highly distinctive products through the use of our original devices under our business creed of “Sincerity and Creativity.”

From now on, the Sharp Group will continue to strengthen the development of original cutting-edge devices such as LCDs, our core competence. By employing these devices, we will continue creation of unique products which meet the needs of a new era. These continuing efforts will lead the Sharp Group to be a “valued one-of-a-kind-company”, which we believe will result in winning an ever-intensifying global competition, as well as protecting and increasing corporate value and benefits for all shareholders.

The Sharp Group is giving a high priority to protecting the environment, and our target is to become an environmentally advanced company. We will work to reduce the environmental burden at all production stages in order to contribute to society, along with enhancing the business of photovoltaic power generation systems and introducing environmentally friendly products.

Sharp considers distribution of profits to the shareholders to be one of the most important management themes. Sharp increased dividends for 5 consecutive years from fiscal 2000 to 2004. Regarding the dividend at the end of the fiscal year 2005, the Board of Directors intends to propose to the Ordinary General Meeting of Shareholders an increase in a year-end dividend of 2 yen compared with an interim dividend, which is identical to last year's increase. If this proposal is approved, Sharp will have increased dividends for six consecutive years. From now on, Sharp will make our best efforts to continue a stable dividend and to implement a set of policies to return profits in accordance with performance improvements.

2. The Purpose of Introducing the Plan

Recently, corporate acquisition against the wishes of the Board of Directors of target companies, known as "hostile takeovers," has taken place in view of factors such as the dissolution of cross-shareholding structures, a reformed legal system, and the transformation of corporate structure and culture.

The Board of Directors of Sharp will not reject all Large-Scale Purchases aimed at a takeover so long as the Large-Scale Purchase does not harm corporate value and benefits for all shareholders. Whether to permit a Large-Scale Purchase of Sharp's shares should be ultimately entrusted to the shareholders.

However, an inappropriate Large-Scale Purchase may be indicated by, but not limited to, the following:

- judging from its goal, the purchase apparently harms corporate value and benefits for all shareholders;
- shareholders being coerced to participate;
- insufficient disclosure of information regarding the Large-Scale Purchase and the Large-Scale Purchaser;
- the Board of Directors of the target company not being given sufficient time to investigate the Large-Scale Purchase or to provide alternatives; or,
- harming stakeholders such as customers, clients and/or employees and ultimately harming the corporate value.

What is especially essential to the Sharp Group is the ability of manufacturing operation to develop and make good use of advanced technology and manufacturing technology for protecting and increasing corporate value and benefits for all shareholders. However, several years or decades might be needed for Sharp to commercialize the results of research and development. Therefore, management action based on a medium-and long-term perspective is indispensable for us to maximize our corporate value.

Consolidated sales of the Sharp Group for fiscal 2005 increased to 2,797.1 billion yen, and its wide range of business fields includes Audio-Visual and Communication Equipment, Home Appliances, Information Equipment, LSIs, LCDs and Other Electronic Components. Most of the results of research and development and manufacturing technology know-how, which are sources of our corporate value, are confidential. Therefore, shareholders requested to sell shares by a Large-Scale Purchaser and faced with deciding whether a Large-Scale Purchase offer is reasonable may not easily evaluate our corporate value within a limited time, since shareholders need to estimate the value of the possibility of commercializing the results of research and development or know-how, and the technological synergy between devices and products.

Therefore, the Board of Directors of Sharp has introduced this Plan to prevent inappropriate Large-Scale Purchases as indicated above, and to take reasonable countermeasures if an inappropriate Large-Scale Purchase is actually conducted.

3. Contents of the Plan

The Board of Directors of Sharp believes that a Large-Scale Purchase should be conducted in accordance with certain reasonable rules, to protect and increase corporate value and benefits for all shareholders. Therefore, the Board of Directors of Sharp has established rules regarding Large-Scale Purchases (hereinafter referred to as "Large-Scale Purchase Rules") and requires a Large-Scale Purchaser to follow the Large-Scale Purchase Rules. In addition, based on the advice and recommendations of a special committee (refer to Exhibit 2) composed of experienced outsiders and all outside auditors, the Board of Directors of Sharp is

planning, to take together with appropriate disclosure, reasonable measures such as the following items:

(1) Establishment of Large-Scale Purchase Rules

Large-Scale Purchase Rules require that a Large-Scale Purchaser shall provide the Board of Directors of Sharp with necessary and sufficient information in advance, and after an assessment period has passed, a Large-Scale Purchaser shall be allowed to initiate a Large-Scale Purchase. The details are prescribed as follows.

- ① A Large-Scale Purchaser is required to provide necessary and sufficient information (hereinafter referred to as the “Large-Scale Purchase Relevant Information”) concerning the contents of the Large-Scale Purchase and the Large-Scale Purchaser. Each Large-Scale Purchase has distinctive Large-Scale Purchase Relevant Information. Therefore, when a Large-Scale Purchaser intends to initiate a Large-Scale Purchase, the Large-Scale Purchaser is required to submit to Sharp a written document (hereinafter referred to as “Letter of Declaration”) that includes a declaration to comply with the Large-Scale Purchase Rules, the name and address of the Large-Scale Purchaser, applicable law under which the Large-Scale Purchaser is established or the governing law of incorporation, the name of the representative director, contact information in Japan and an outline of the Large-Scale Purchase.
- ② Within five (5) business days after receipt of the Letter of Declaration, Sharp will issue a list to the Large-Scale Purchaser of initially required Large-Scale Purchase Relevant Information for the Large-Scale Purchase

and will require the Large-Scale Purchaser to immediately provide such information described in that list. (Large-Scale Purchase Relevant Information includes, but is not limited to the criteria described below.) If the information initially provided by the Large-Scale Purchaser is deemed to be insufficient, Sharp may require the Large-Scale Purchaser to provide additional information until Sharp determines the provided information is sufficient.

- (a) An outline of the Large-Scale Purchaser and its group (including name, capital structure, subject matter of its business, financial condition, history of past acquisitions or Large-Scale Purchases, experience in some kind of business as Sharp's business);
- (b) The purposes, methods and conditions of the purchase (including the purchase price, currency, basis for determination of the purchase price, the source of funds for the purchase, duration of the purchase, structure of the transaction);
- (c) An outline of the supplier of the funds (including name and capital structure);
- (d) Management policies the Large-Scale Purchaser intends to adopt after the completion of the Large-Scale Purchase, details of medium and long-term plans for each business, equity policy, financial policy, dividend policy;
- (e) Policies for putting to use the patents, brands, etc. to continuously increase corporate value and benefits for all shareholders', and the basis of the policies;
- (f) Policies on whether to change or not to change the treatment of stakeholders (customers, clients, employees, local community and

others), that would be implemented after the completion of the Large-Scale Purchase, and the policies' contents.

If a Large-Scale Purchase is conducted, and disclosure is considered necessary for shareholders to make decisions, at a time the Board of Directors of Sharp deems appropriate, the Board of Directors will disclose the facts of such Large-Scale Purchase and all or part of the Large-Scale Purchase Relevant Information provided to the Board of Directors of Sharp.

- ③ After the requirement of the Large-Scale Purchase Relevant Information has been totally satisfied, the Board of Directors of Sharp will have sixty (60) business days, if the counter value will be paid only in Japanese Yen, or ninety (90) business days, if the counter value will be paid in other than Japanese Yen, as a period to assess the purchase (hereinafter referred to as "Assessment Period") during which the Board of Directors will assess, investigate, examine, negotiate, form an opinion and seek any alternatives. Therefore, the Large-Scale Purchase will be allowed to commence only after the Assessment Period has passed.

(2) Investigation of Large-Scale Purchase and Process of Decision

During the Assessment Period, the Board of Directors of Sharp will accurately assess and investigate the provided Large-Scale Purchase Relevant Information to deliberate on its opinion, observing timely disclosure of information, while seeking advice from outside experts including attorneys, financial advisors and certified public accountants. The Board of Directors of Sharp will negotiate with a Large-Scale Purchaser in order to improve the terms of a proposed Large-Scale Purchase if necessary.

Even if a Large-Scale Purchaser complies with the Large-Scale Purchase Rules, the following factors shall be regarded as harmful to the corporate value and benefits for all shareholders.

- ① There is no intention to participate in the Sharp Group's management, and there is an intention to inflate Sharp's share price and resell the shares to Sharp or its affiliates at an inflated price.
- ② There is an intention to transfer intellectual property rights, know-how, trade secrets, main clients or customers which are indispensable to the Sharp Group's business to a Large-Scale Purchaser or its group by temporarily commandeering the Sharp Group's management.
- ③ There is an intention to misappropriate the Sharp Group's assets as collateral or funds for loans for a Large-Scale Purchaser or its group.
- ④ There is an intention to dispose of the Sharp Group's assets by temporarily commandeering their management, to obtain a temporarily high dividend or to sell the shares at a high price due to payment of a temporarily high dividend.

Before investigation of the Large-Scale Purchase or countermeasures are taken by the Board of Directors of Sharp, the special committee, which consists of experienced outsiders and all outside auditors, shall deliberate on and recommend to the Board of Directors of Sharp whether sanctioning the Large-Scale Purchase is advisable or if countermeasures should be taken. The Board of Directors of Sharp shall fully consider this recommendation and make a final decision concerning countermeasures prescribed in (3) below. After countermeasures are taken, if a Large-Scale Purchaser provides Sharp

with necessary and sufficient information, and the special committee recommends and the Board of Directors of Sharp decides that the Large-Scale Purchase does not harm the corporate value and benefits for all shareholders, the Board of Directors of Sharp may cease such countermeasures.

(3) Countermeasures based on this Plan

- ① In case a Large-Scale Purchaser complies with the Large-Scale Purchase Rules, and the Large-Scale Purchase is deemed not to harm the corporate value and the benefits for all shareholders:

The Board of Directors of Sharp will not take any countermeasures.

- ② In case a Large-Scale Purchaser does not comply with the Large-Scale Purchase Rules:

If a Large-Scale Purchaser does not comply with the Large-Scale Purchase Rules and suddenly initiates the Large-Scale Purchase, or deviates from the Large-Scale Purchase Rules, the Board of Directors of Sharp may take countermeasures, such as a share split, or the issuance of stock acquisition rights permitted by law, regulations or by-laws in effect at the time, to protect the corporate value and benefits for all shareholders. The Board of Directors of Sharp shall, at its discretion, choose at the time the most reasonable and appropriate countermeasures.

- ③ In case a Large-Scale Purchaser complies with the Large-Scale Purchase Rules, but the Large-Scale Purchase nevertheless harms the corporate value and benefits for all shareholders:

The Board of Directors of Sharp may take countermeasures, such as a share split, or issuance of stock acquisition rights, as permitted by law,

regulations or by-laws in effect at the time, to protect the corporate value and benefits of all shareholders. The Board of Directors of Sharp shall, at its discretion, choose at the time the most reasonable and appropriate countermeasures.

4. Influence on Shareholders and Investors, etc.

(1) Influence on shareholders and investors at the time of introduction of this Plan:

The Board of Directors of Sharp is not splitting shares or issuing stock acquisition rights at the time of the introduction of this Plan. The introduction of this Plan has no direct influence on the rights and benefits of shareholders and investors.

(2) Influence on shareholders and investors at the time of taking countermeasures:

The Board of Directors of Sharp will provide timely disclosure of information at the time of taking countermeasures against a Large-Scale Purchaser, and will adequately consider the benefits of shareholders and investors other than the Large-Scale Purchaser.

(3) Necessary procedure for shareholders to be followed when countermeasures are taken:

Shareholders shall be registered as owners by the base day determined in a public notification. And,

- ① There is no procedure necessary for the shareholders to follow when a share split is declared.

- ② Shareholders must subscribe and complete the necessary procedure (payment of the issue or exercise price, etc.) when stock acquisition rights are allotted to shareholders. Sharp will notify the shareholders of the steps of such procedure in accordance with relevant law and regulations.

5. Process of Introducing this Plan

The introduction of this Plan has been approved unanimously at the Board of Directors meeting held on April 26, 2006. All four (4) auditors including three (3) outside auditors expressed their opinion that the introduction of this Plan is adequate.

6. Review of this Plan

The term of office of Sharp's Directors is one (1) year and the Directors are appointed at the Ordinary General Meeting of Shareholders held annually in June. Therefore, the term of office of the current Directors shall expire at the conclusion of the Ordinary General Meeting of Shareholders held in June 2006. At the Board of Directors Meeting held after the conclusion of the Ordinary General Meeting of Shareholders in June of this year, the Board of Directors of Sharp will investigate whether this Plan should remain in effect, and immediately disclose the result of the investigation.

If need be, the Board of Directors of Sharp will revise this Plan in accordance with revised laws or revised stock exchange regulations concerning anti-takeover plans.

7. Others

The Board of Directors recognizes no Large-Scale Purchase at present.

EXHIBIT 1: Plan regarding Large-Scale Purchases of Sharp Corporation Shares

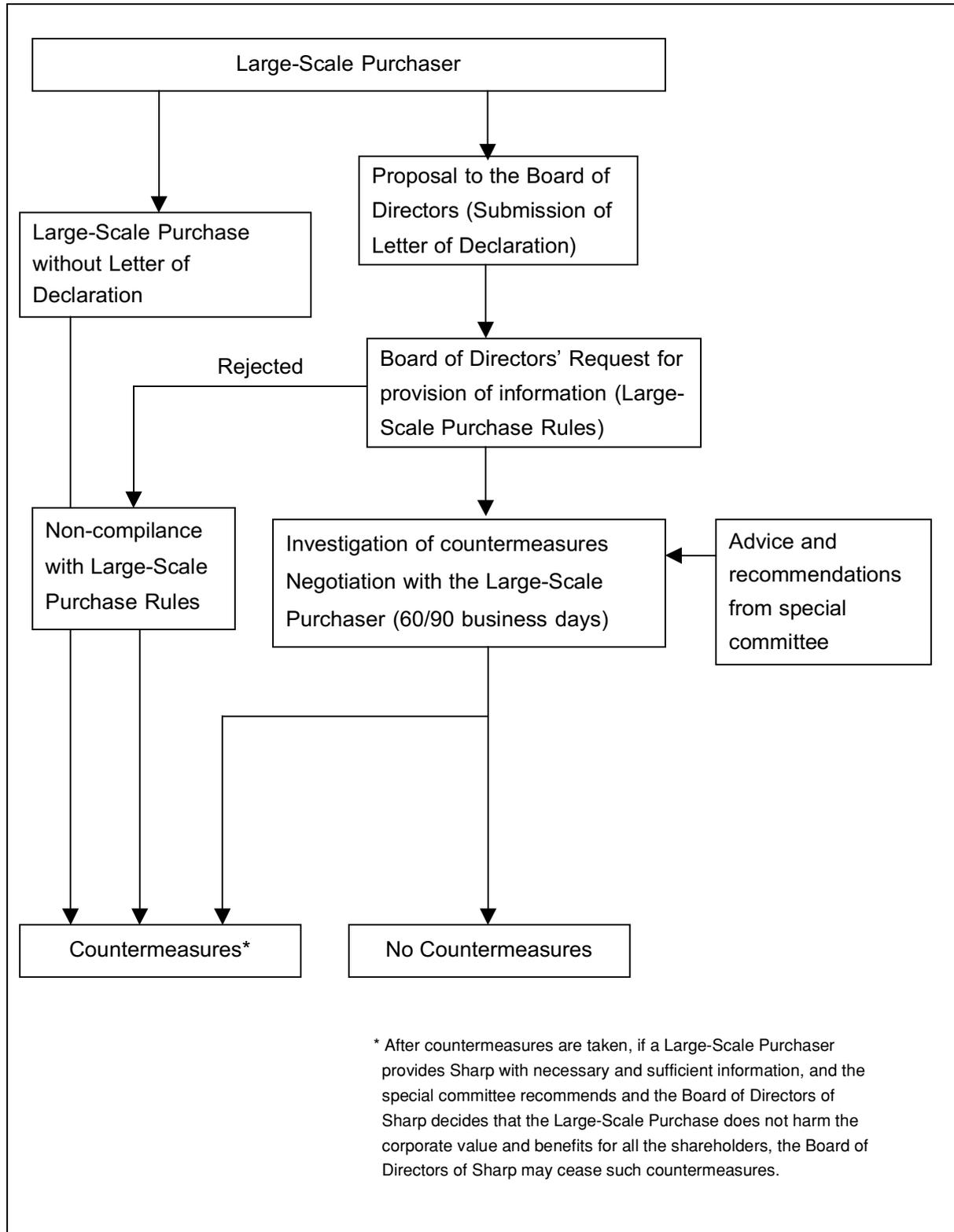


EXHIBIT 2: An outline of the special committee (tentative name)

- The special committee shall be established based on a decision by the Board of Directors of Sharp.
- Members of the special committee consist of experienced outsiders (including, but not limited to specialists in management, law, accounting etc., experts including lawyers, and managers of private companies) and all outside auditors, who are independent of Sharp's managers conducting the business. Experienced outsiders and Sharp shall enter into a contract including a clause that provides for a fiduciary duty to Sharp.
- At the request of the Board of Directors of Sharp, and after investigation and discussion based on this Plan, the special committee shall advise the Board of Directors of the committee's opinion or make recommendations concerning the countermeasures contemplated, including whether such countermeasures should be taken or not. The special committee's advice and recommendations shall consider corporate value and benefits for all shareholders, and not the interests of the committee or Sharp's management. The Board of Directors of Sharp shall fully consider such advice and recommendations, and make a final decision concerning the countermeasures. At the expense of Sharp, the special committee may seek advice from experts including lawyers, financial advisors and certified public accountants.