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FOR IMMEDIATE RELEASE

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

For the purpose of protecting and enhancing corporate value and common interests of 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 the "Original Plan") regarding Large-Scale Purchases of Sharp's share certificates or other securities, and announced the Original Plan in a press release dated the same day. Sharp decided to continue the Original Plan at the Board of Directors Meeting on June 22, 2006, which consisted of the Directors appointed at the 112th Ordinary General Meeting of Shareholders held on the same day.

Afterwards, to protect and enhance corporate value and common interests of shareholders, the Board of Directors of Sharp has continued to examine the Original Plan in accordance with the enforcement of the Corporate Law and the revision of the Securities and Exchange Act. The Board of Directors of Sharp decided, at the Board of Directors Meeting held on April 25, 2007, to introduce the takeover defense plan by approval of the shareholders. As a result, Sharp announced that the Board of Directors of Sharp decided to abolish the Original Plan at the conclusion of the 113th Ordinary General Meeting of Shareholders, and adopt the new plan regarding Large-Scale

Purchases of Sharp's shares (hereinafter referred to as the "Plan"), described in the attachment, on condition that the shareholders approve the plan at that meeting.

The Plan will take effect on the day of approval by shareholders at the 113th Ordinary General Meeting of Shareholders, and then the Board of Directors of Sharp consults with the Shareholders at the annual Ordinary General Meeting regarding whether the Plan should remain in effect.

The purpose of the Plan's introduction is to protect and enhance corporate value and common interests of shareholders. Large-Scale Purchase Rules, which had also been provided for the Original Plan, are provided to enable the shareholders to adequately judge the situation by requiring Large-Scale Purchasers of Sharp's shares to provide sufficient information including, but not limited to, the purposes and methods of the purchase, the amount and type of consideration, basis for determination of the purchase price, and by giving the Board of Directors of Sharp an adequate assessment period. Therefore, the Plan does not reject the Large-Scale Purchases per se. Rather, whether to permit Large-Scale Purchases should be entrusted to the shareholders.

The Board of Directors of Sharp recognized no proposal of Large-Scale Purchases as of April 25, 2007.

(Attachment)

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

I. Basic Policy In Reference to the Persons Who Control Decisions on Sharp's Finance and Business Policy

Sharp is a publicly traded company that permits shareholders to freely sell and purchase Sharp's shares without company approval. Therefore, 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 common interests of 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 common interests of 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 enhancing corporate value and

common interests of 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.

In light of the consideration described above, the Board of Directors of Sharp believes that any person who conducts an inappropriate Large-Scale Purchase as described above is not appropriate to be in control of financial and business policy decisions, and reasonable countermeasures are necessary to be taken if an inappropriate Large-Scale Purchase is actually conducted.

II. Exceptional Actions to Contribute to Achieving the Basic Policy including Effective Practical Use of Sharp's Assets, and Forming Appropriate Company Groups

In addition to the actions described in III, the exceptional actions are as follows:

1. Action based on Mid- and Long-Term Business Strategy

Sharp Group has endeavored to enhance corporate value and contribute to society through the creation of highly distinctive products based on advanced original devices by making use of the strength of its vertically-integrated business model under our business creed of "Sincerity and Creativity."

Sharp Group will continue not only to strengthen further development of technology, such as LCDs, our core competence, but also to make best efforts to enhance production capability and improve cost competitiveness. Sharp Group is committed to expand the business of LCD related products such as LCD color TVs globally. This continuing effort will lead Sharp to be a "valued one-of-a-kind-company," which we believe will result in protecting and enhancing corporate value and common interests of shareholders.

Sharp sees the issue of environmental protection as a medium-term business challenge. With our energy-creating and energy-saving technologies, we aim to achieve our corporate vision of being a company that has “zero global warming impact” by fiscal 2010. We will contribute to the realization of a sustainable society by pursuing coexistence of business expansion and environmental protection. Specifically we will work to reduce the environmental burden at all production stages, along with enhancing the business of photovoltaic power generation systems and introducing environmentally friendly products.

2. Basic Policy on Distribution of Earnings

Sharp considers distributing profits to shareholders to be one of management’s top priorities. While maintaining consistently stable dividend pay-outs, and while carefully considering our consolidated business performance, financial situation and future business development in a comprehensive manner, we have been implementing a set of measures to return profits to our shareholders, such as increasing the amount of periodic dividends. We will continue to return profit actively, targeting a consolidated pay-out ratio of 30%.

III. Actions to Prevent Persons Deemed Inappropriate, in Light of the Basic Policy, from Controlling Decisions on Sharp’s Financial and Business Policy

1. Necessity of the Plan Regarding Large-Scale Purchases of Sharp’s Shares

Sharp Group’s 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.

The Board of Directors of Sharp believes that purchases of Sharp's shares 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 shares 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 shares as described above shall be hereinafter referred to as a "Large-Scale Purchase," and A person or a company intending to conduct a Large-Scale Purchase shall be hereinafter referred to as a "Large-Scale Purchaser.") should be conducted in accordance with certain reasonable rules, to protect and enhance corporate value and common interests of 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 3) composed of experienced outsiders and all outside auditors, the Board of Directors of Sharp is planning, together with appropriate disclosure, to take reasonable measures to prevent persons deemed inappropriate, in light of the Basic Policy, from controlling decisions on Sharp's financial and business policy. (The plan regarding Large-Scale Purchases of Sharp's shares described in III shall be hereinafter referred to as the "Plan.")

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

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

- 2) 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.

2. Plan Details

(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 amount and type of consideration, 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, capital structure);

- (d) Management Policy 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) Policy for putting to use the patents, brands, etc. to continuously enhance corporate value and common interests of shareholders, and the basis of the Policy;
- (f) Policy 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 policy's contents.

If a Large-Scale Purchase is proposed, and disclosure is considered necessary for shareholders to make decisions, the Board of Directors of Sharp will disclose, at a time it deems appropriate, 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 of Sharp 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 corporate value and common interests of shareholders.

- ① There is no intention to participate in 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 Sharp Group's business to a Large-Scale Purchaser or its group by temporarily commandeering Sharp Group's management.
- ③ There is an intention to misappropriate 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 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 corporate value and common interests of shareholders, the Board of Directors of Sharp may cease such countermeasures.

(3) Countermeasures based on the 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 corporate value and common interests of 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 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 a gratis allotment of stock acquisition rights, as permitted by law, regulations or by-laws in effect at the time, to protect corporate value and common interests of 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 corporate value and common interests of shareholders:

If a Large-Scale Purchase deemed harmful to corporate value and common interests of shareholders is initiated, the Board of Directors of Sharp may take countermeasures, such as a share split, or a gratis allotment of stock acquisition rights, as permitted by law, regulations or by-laws in effect at the time, to protect corporate value and common interests of shareholders. The Board of Directors of Sharp shall, at its discretion, choose at the time the most reasonable and appropriate countermeasures.

3. Influence on Shareholders and Investors, etc.

- (1) Influence on shareholders and investors at the time of introduction of the plan:

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

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

The Board of Directors of Sharp will timely disclose information at the time of taking countermeasures against a Large-Scale Purchaser, and adequately consider the interests 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 in the event the Board of Directors of Sharp determines to split shares or allot gratis stock acquisition rights. Sharp will notify the shareholders of the details of the method of allotting and exercising stock

acquisition rights in accordance with relevant law and regulations when stock acquisition rights are allotted to shareholders.

4. Process of Introducing the Plan

The Board of Directors of Sharp decided at the Board of Directors Meeting held on April 25, 2007 to adopt the Plan on condition that the shareholders approve the Plan at the 113th Ordinary General Meeting of Shareholders. All four (4) auditors including three (3) outside auditors expressed their opinion that the introduction of the plan is adequate.

5. Term of the Plan

The Plan is effective from the conclusion of the 113th Ordinary General Meeting of Shareholders until the conclusion of the 114th Ordinary General Meeting of Shareholders held on or before June 30, 2008, on condition that the shareholders approve the Plan at the 113th Meeting. If the shareholders approve the Plan at the 114th Ordinary General Meeting of Shareholders, the Plan will be effective until the conclusion of the subsequent meeting.

The Board of Directors of Sharp may decide to abolish the Plan before expiration. If need be, the Board of Directors of Sharp may revise the plan while the Plan is in effect in accordance with revised laws or revised stock exchange regulations concerning takeover defense plans if such revision will not be contrary to the basic principles of the Plan approved at the Ordinary General Meeting of Shareholders. If the Plan is postponed, abolished or revised, the Board of Directors of Sharp shall immediately disclose such action.

IV The fact that, and the reasons why, the Plan is based on the Basic Policy, does not harm corporate value and common interests of shareholders, and is not intended to prolong the respective individuals in their positions of Director

For the reasons set out below, The Board of Directors of Sharp believes that the action described in III is based on the Basic Policy described in I, does not harm corporate value and common interests of shareholders, and is not intended to prolong the respective individuals in their positions of Director.

1. The Plan is based on the Basic Policy.

The Plan's provisions include the contents of Large-Scale Purchase Rules, measures for Large-Scale Purchases, establishment of the Special Committee and the effects on shareholders and investors.

The Plan clearly requires a Large-Scale Purchaser to provide the Board of Directors of Sharp with necessary and sufficient information in advance, a Large-Scale Purchaser shall be allowed to initiate a Large-Scale Purchase after an Assessment Period has passed, and the Board of Directors of Sharp may take countermeasures if a Large-Scale Purchaser does not comply with these provisions.

The Plan prevents inappropriate Large-Scale Purchases deemed to harm corporate value and common interests of shareholders even if a Large-Scale Purchaser complies with the Large-Scale Purchase Rules, and provides that the Board of Directors of Sharp may take reasonable countermeasures in the event of an inappropriate Large-Scale Purchase.

Therefore, the Plan is established in accordance with the Basic Policy.

2. The Plan does not harm corporate value and common interests of shareholders.

As described in I, the Basic Policy respects corporate value and common interests of shareholders. The Plan is established in accordance with A) the Basic Policy, B) the three (3) principles provided in the “Guidelines Regarding Takeover Defense for the Purpose of Protection and Enhancement of Corporate Value and Shareholders’ Common Interests” ((i) Protection and Enhancement of Corporate Value and Shareholders’ Common Interests, (ii) Prior Disclosure and Shareholders’ Will and (iii) Necessity and Reasonableness), promulgated by the Ministry of Economy, Trade and Industry and the Ministry of Justice on May 27, 2005, and C) the duties concerning the adoption of takeover defenses (Sufficient Disclosure, Transparency, Effect on the Market and Respect for Shareholders’ Rights) provided in the “Timely Disclosure Rules,” promulgated by Tokyo Stock Exchange, Inc. The Plan provides that the shareholders shall be provided with the necessary information to enable them to decide whether they accept the Large-Scale Purchase, and proposal of alternatives by the Board of Directors of Sharp. Therefore, the Plan is designed to enable the shareholders and investors to make an informed decision, and does not harm corporate value and common interests of shareholders, rather enhances such value and interests.

Furthermore, the Plan will be enacted or renewed depending on whether the shareholders approve the Plan, and the plan will be renewed or abolished if shareholders wish to do so. This indicates that the Plan does not harm corporate value and common interests of shareholders.

3. The Plan is not intended to prolong the respective individuals in their positions of Director.

The Plan recognizes that whether to permit a Large-Scale Purchase of Sharp's shares should be ultimately entrusted to the shareholders. The Plan prevents inappropriate Large-Scale Purchases, and requires compliance with the Large-Scale Purchase Rules and provides for potential countermeasures to protect corporate value and common interests of shareholders. The Plan clearly provides detailed countermeasures in advance for the Board of Directors of Sharp to take against inappropriate Large-Scale Purchases. Such countermeasures by the Board of Directors of Sharp shall be taken in accordance with the provisions of the Plan. Not only the decision of the Board of Directors of Sharp, but the approval of the shareholders are required to give effect to the Plan.

When the Board of Directors of Sharp assesses and investigates the Large-Scale Purchases, proposes alternatives, negotiates with a Large-Scale Purchaser, or takes countermeasures, the Board of Directors of Sharp shall fully consider the advice of the Special Committee, which consists of experienced independent outsiders and independent outside auditors, as well as outside experts. The Special Committee's advice and recommendations shall not consider the interests of the Directors. The Plan includes provisions that guarantee due process by the Board of Directors of Sharp.

Therefore, the Plan is clearly not intended to prolong the respective individuals in their positions of Directors.

EXHIBIT 1: Status of shares of Sharp [as of March 31, 2007]

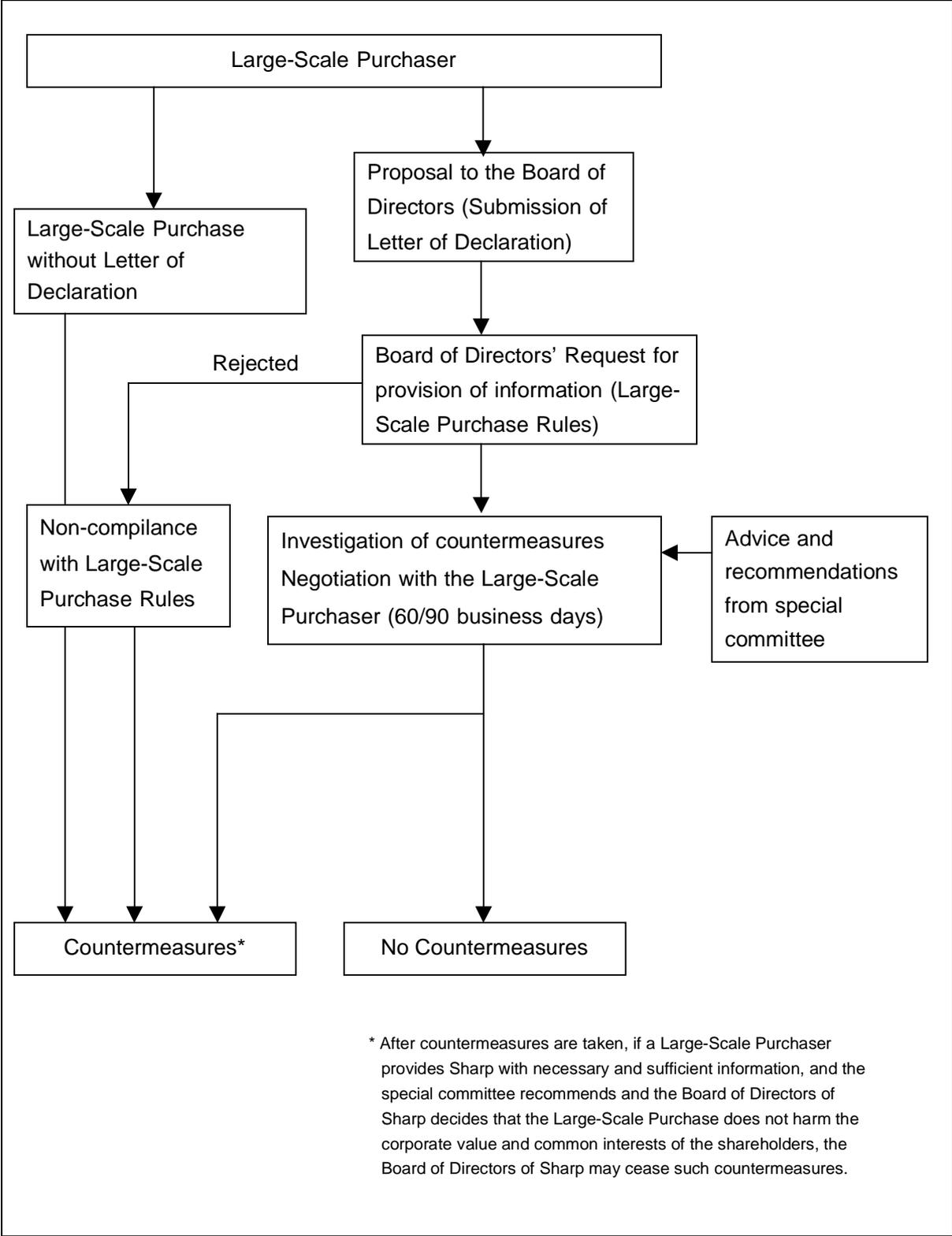
- (1) Total number of authorized shares: 2,500,000,000 shares
- (2) Total number of issued shares: 1,110,699,887 shares (20,021,018 treasury shares included)
- (3) Number of shareholders: 83,319
- (4) Major shareholders (Top 10)

Names of shareholders	Status of investment in our company	
	Number of shares	Percent of shares
Nippon Life Insurance Company	54,967	4.95
Meiji Yasuda Life Insurance Company	47,359	4.26
Mizuho Corporate Bank, Ltd.	41,910	3.77
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	41,678	3.75
Japan Trustee Services Bank, Ltd.	38,127	3.43
The Master Trust Bank of Japan, Ltd.	37,974	3.42
The Dai-ichi Mutual Life Insurance Company	30,704	2.76
Mitsui Sumitomo Insurance Co., Ltd.	30,658	2.76
State Street Bank and Trust Company	27,210	2.45
Sompo Japan Insurance Inc.	26,870	2.42
	(x 1,000 shares)	(%)

(Note)

- 1. Percent of shares is the percent of the total number of shares issued by Sharp including treasury shares.
- 2. In addition to the above, Mizuho Corporate Bank, Ltd. has 4,770,000 shares of Sharp, which is established as a trust estate for a retirement benefits trust.

EXHIBIT 2: Plan regarding Large-Scale Purchases of Sharp Corporation Shares



EXIBIT 3: An outline of the special committee

- 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 common interests of 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.