

May 15, 2009

Company: Sharp Corporation  
Representative: Mikio Katayama, President & COO  
Securities Code: 6753

## **Notice on Succession by Subsidiary through the Corporate Split (Simplified Absorption-Type Corporate Split) of Production and Sales Business of Large-sized LCD Panels and LCD Modules at the New LCD Plant in Sakai City, Osaka Prefecture**

Sharp Corporation (hereinafter “Sharp”) hereby announces that Sharp decided, at the Board of Directors Meeting held today, to have Sharp Display Products Corporation, a wholly owned subsidiary of Sharp, succeed to the production and sales business of large-sized LCD panels and LCD modules at the new LCD plant now under construction by Sharp in Sakai City, Osaka Prefecture, Japan by way of an absorption-type corporate split (hereinafter “Absorption-Type Corporate Split”) effective July 1, 2009, and entered into the Absorption-Type Corporate Split Agreement with Sharp Display Products Corporation as explained below.

As this Absorption-Type Corporate Split is a simplified absorption-type corporate split (“*kani-kyushu-bunkatsu*”), which means the wholly owned subsidiary of Sharp becomes the successor company, certain matters and descriptions are omitted from the disclosure below.

### Description

#### 1. Purpose of the Corporate Split

The new LCD plant is now under construction by Sharp, and as of April 1, 2009, to pursue the reorganization, Sharp established Sharp Display Products Corporation, a wholly owned subsidiary of Sharp for future business development.

Sharp decided to have Sharp Display Products Corporation succeed to the production and sales business of large-sized LCD panels and LCD modules at the new LCD plant, and prepare to start operations in October 2009 (planned) at this new plant.

#### 2. Outline of the Absorption-Type Corporate Split

##### (1) Schedule of the Absorption-Type Corporate Split

Board of Directors Meeting to decide the Absorption-Type Corporate Split: May 15, 2009

Conclusion of the Absorption-Type Corporate Split Agreement: May 15, 2009

Approval of the Absorption-Type Corporate Split Agreement at the General Meeting of Shareholders:

As the Absorption-Type Corporate Split fall under a simplified absorption-type corporate split ("*kani-kyushu-bunkatsu*") provided for in Article 784, Paragraph 3, of the Corporation Law, Sharp shall implement the Absorption-Type Corporate Split without obtaining the approval of a General Meeting of Shareholders.

Scheduled Date of the Absorption-Type Corporate Split (effective date): July 1, 2009 (Planned)

(2) Method of the Absorption-Type Corporate Split

The Absorption-Type Corporate Split is a simplified absorption-type corporate split ("*kani-kyushu-bunkatsu*"), in which Sharp shall be the split company and Sharp Display Products Corporation shall be successor company.

(3) Substance of the Split-Related Allotment of Shares

Sharp Display Products Corporation shall issue common stock of 2,638,000 shares and allocate and deliver all of the shares to Sharp at the time of the Absorption-Type Corporate Split.

(4) Basis of Calculation for the Split-Related Allotment of Shares

The number of the allotment of shares was decided based on discussions by both companies, taking into consideration the increase in capital of the successor company due to the Absorption-Type Corporate Split. As the successor company is the wholly owned subsidiary of Sharp and the Absorption-Type Corporate Split is a split-up absorption-type corporate split in which the successor company allocates and delivers all of the shares to be issued to Sharp, the Absorption-Type Corporate Split shall not affect the amount of net assets of Sharp, and therefore evaluation by the third party was not implemented.

(5) Reduction of Capital and Other Items due to the Absorption-Type Corporate Split

No change in the capital amount and other items shall take place due to the Absorption-Type Corporate Split.

(6) Treatment of Stock Acquisition Rights and Bonds with Stock Acquisition Rights of the Split Company

The Absorption-Type Corporate Split shall not affect the status of the 20th Unsecured Convertible Bond Issue with Attached Warrants that was issued by Sharp.

(7) Rights and Obligations to be succeeded by the Successor Company

The successor company shall succeed the rights and obligations as of the effective date, which are provided for in the Absorption-Type Corporate Split Agreement, including the assets, liabilities, contractual status or other rights and obligations belonging to the production and sales business of large-sized LCD panels and LCD modules at the new LCD plant under construction by Sharp in Sakai City, Osaka Prefecture.

(8) Presumption of the Fulfillment of Obligations

Sharp believes that there is no question of fulfillment of obligations by Sharp and the successor company on and after the effective date of the Absorption-Type Corporate Split.

### 3. Outline of Parties Involved in the Absorption-Type Corporate Split

|                                                    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                                                                 |
|----------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------|
| 1. Corporate Name                                  | Sharp Corporation<br>(Split Company)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | Sharp Display Products Corporation<br>(Successor Company)       |
| 2. Date of Incorporation                           | May 2, 1935                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | April 1, 2009                                                   |
| 3. Head Office                                     | 22-22, Nagaike-cho, Abeno-ku,<br>Osaka City, Japan                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | 1, Takumi-cho, Sakai-ku, Sakai<br>City, Osaka Prefecture, Japan |
| 4. Name and Title of Representative                | Mikio Katayama,<br>President & COO                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | Hiroshi Saji, President                                         |
| 5. Principal Business                              | Production and sales of electric communication equipment, electric equipment, electronic application equipment in general and electronic components                                                                                                                                                                                                                                                                                                                                                                                                 | Production and sales of LCD panels and LCD modules              |
| 6. Fiscal Year-End                                 | March 31                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | March 31                                                        |
| 7. Capital                                         | 204,675 million yen                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | 100 million yen                                                 |
| 8. Net Assets                                      | 1,048,447 million yen<br>(consolidation)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | 100 million yen<br>(non-consolidation)                          |
| 9. Total Assets                                    | 2,688,721 million yen<br>(consolidation)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | 100 million yen<br>(non-consolidation)                          |
| 10. Total Number of Shares Issued                  | 1,110,699,887 shares                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | 2,000 shares                                                    |
| 11. Principal Shareholders and Shareholding Ratios | <p>Nippon Life Insurance Company 5.01%</p> <p>Japan Trustee Services Bank, Ltd. (Trust Account 4G) 4.49%</p> <p>Meiji Yasuda Life Insurance Company 4.26%</p> <p>Japan Trustee Services Bank, Ltd. (Trust Account) 3.83%</p> <p>Mizuho Corporate Bank, Ltd. 3.77%</p> <p>The Bank of Tokyo-Mitsubishi UFJ, Ltd. 3.75%</p> <p>The Master Trust Bank of Japan, Ltd. (Trust Account) 2.90%</p> <p>The Dai-ichi Mutual Life Insurance Company 2.76%</p> <p>Mitsui Sumitomo Insurance Company, Limited 2.76%</p> <p>Sompo Japan Insurance Inc. 2.42%</p> | Sharp Corporation 100.00%                                       |

(Note)The outline of Sharp Corporation (split company) is as of March 31, 2009, and the outline of Sharp Display Products Corporation (successor company) is as of April 1, 2009 (date of incorporation).

#### 4. Outline of Business Division to be Split

##### (1) Substance of Business Division to be Split

Production and sales business (excluding the development of process technology and plant construction division by Sakai Manufacturing Complex Construction Group) of large-sized LCD panels and LCD modules scheduled to start at the new LCD plant now under construction by Sharp in Sakai City, Osaka Prefecture, Japan.

##### (2) Operating Results of Business Division to be Split as of Fiscal Year ended March 2009

There is no record of operating results because this shall start in fiscal year 2009.

##### (3) Items and Amounts of Assets and Liabilities to be Split

(Unit: billion yen)

| Item   | Book Value | Item        | Book Value |
|--------|------------|-------------|------------|
| Assets | 182.3      | Liabilities | 50.4       |

(Note)The book value of assets and liabilities mentioned above are calculations based on balance sheets and other factors as of March 31, 2009. The amounts of assets and liabilities to be actually split may be different from the figures mentioned above due to increases or decreases occurring prior to the effective date of the Absorption-Type Corporate Split.

#### 5. Status of the Successor Company after the Absorption-Type Corporate Split

|                                     |                                                              |
|-------------------------------------|--------------------------------------------------------------|
| 1. Corporate Name                   | Sharp Display Products Corporation                           |
| 2. Head Office                      | 1, Takumi-cho, Sakai-ku, Sakai City, Osaka Prefecture, Japan |
| 3. Name and Title of Representative | Hiroshi Saji, President                                      |
| 4. Principal Business               | Production and sales of LCD panels and LCD modules           |
| 5. Fiscal Year-End                  | March 31                                                     |
| 6. Capital                          | 10.0 billion yen                                             |
| 7. Net Assets                       | 132.0 billion yen                                            |
| 8. Total Assets                     | 182.4 billion yen                                            |
| 9. Total Number of Shares Issued    | 2,640,000 shares                                             |

(Note)The figures for total assets mentioned above are calculated based on the amount of assets and liabilities to be split, which are calculations based on balance sheets and other factors as of March 31, 2009, and may be different from final figures for total assets as increases or decreases occurring prior to the effective date of the Absorption-Type Corporate Split will be added to/subtracted from the amount of assets and liabilities to be split.

#### 6. Status of the Listed Companies after the Absorption-Type Corporate Split

The corporate name, business, head office, name and title of the representative, capital, and fiscal year-end shall not change due to the Absorption-Type Corporate Split.

As the Absorption-Type Corporate Split is an absorption-type corporate split, meaning the consolidated subsidiary wholly owned by Sharp becomes the successor company, there will be no impact on the consolidated performance in fiscal year ending March 2010.