

September 11, 2012

Company Name: Sharp Corporation
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About Conducting Measures to Reinforce Business Foundations

Sharp Corporation announces that it has decided at the board meeting held on September 11, 2012 to conduct measures to reinforce business foundations centering with the reduction of labor costs as below. Subjects that require discussions with the labor union have been informed to the labor union on the same day.

1. Reasons to conduct measures to reinforce business foundations

Sharp group is currently engaged in business reinforcement measures and improving its balance sheet to recover business performance. As part of its measures to cut fixed costs, reduction of labor costs starting with offering voluntary retirement (as announced in the August 28, 2012 announcement “Sharp Corporation Announces Voluntary Retirement Program”) is ongoing. Meanwhile, business circumstances surrounding the Sharp group are growing even harsher, and improvement of financial strengths for recovery need to be secured, and therefore an additional reduction in labor costs has been decided necessary. Based on this decision, the following measures will be implemented:

2. Details of the business reinforcement measures

(1) Measures against managerial staff

1. Reduction of salary

5% salary cut started from April 2012 will be enforced to a 10% cut.

Implementation period: from October 2012 to September 2013

2. Reduction of bonus

Approximately 30% reduction from the previous fiscal year has already been implemented for the June 2012 bonus. The December 2012 and June 2013 bonus supply will be cut to half of this June 2012 bonus.

3. Others

Several allowances and welfare programs for union member employees are currently applied to managerial staff as well. Changes in such items that are subject to measures informed to the labor union this time will be applied to managerial staff accordingly, once discussions with the labor union are settled.

(2) Measures against rank-and-file (union members) employees (informed contents to labor union)

Regarding the salary and bonus of rank-and-file employees, the labor union was informed today for a reduction in accordance with measures to managerial staff, as well as termination and reduction of allowances and welfares.

These measures will be enforced as soon as discussions with the labor union are completed.

<Main informed items>

1. Reduction of salary

2% salary cut from May 2012 will be enforced to a 7% cut. At the same time, other allowances beside the basic salary will also be cut by 7%.

Implementation period: from October 2012 to September 2013

2. Reduction of bonus

The June 2012 bonus has been supplied based on coordination with business results. The December 2012 and June 2013 bonuses will be cut to half of this June 2012 bonus.

3. Others

Other measures include cutting back premium rates of overtime allowances and such to the minimum legal standards, reduction of allowances for business trips, and termination of welfare.

3. Forecasts

The measures mentioned above are estimated to reduce fixed costs by approx. 14 billion yen for fiscal 2012 (assuming the conditions to be discussed with the labor union will be accepted as informed).

Meanwhile, considering the still harsh business circumstances, changes in the forecasts for fiscal 2012 consolidated financial results will be announced separately once revisions are decided necessary.