

Company Name Sharp Corporation
 Representative Kozo Takahashi
 Director & President
 (Code No. 6753)

Notice of Business Alliance Relating to LCDs with China Electronics Corporation

Sharp Corporation (“Sharp”) announced that Sharp has passed a resolution at its board of directors meeting held on June 27, 2013, to enter into a business alliance relating to liquid crystal displays (“LCDs”) with China Electronics Corporation.

1. Regarding the business alliance

(1) Reason for and background of the business alliance

Sharp, as announced in the press release “Sharp signs agreement for LCD panel production project in China” dated August 31, 2009, has accepted an order for the 6th generation LCD panel production project (“this project”) from LCD business company Nanjing CEC-PANDA LCD Technology Co., Ltd., established by Nanjing-City and Nanjing China Electronics Panda Group Corporation (“CEC Panda”). The production has commenced in May, 2011. Thereafter, input capacity was steadily expanded, establishing a mass-production system by the end of 2012.

Further, when this project was accepted, in order to prepare for the expansion of demand for LCD panels in China, following the production of 6th generation LCD panels, Sharp has decided to pursue discussions regarding a joint venture for the production of 8th generation LCD panels with the Nanjing-City and China Electronics Corporation (“CEC”), the parent company of CEC Panda.

In this context, along with providing high definition TFT-LCD panels and module technology to the strategic partner CEC, both companies have agreed to operate a plant for the 8.5th generation LCD panels and modules utilizing the technology as a joint venture along with investment by Sharp. With commencement of mass-production scheduled in or after 2015, it is assumed that main applications will be for television sets, notebook PCs and tablets. Sharp reserves the right to purchase the price-competitive and high-value-added LCD panels that will be produced at the plant.

Sharp is working on business restructuring with the intent of reducing assets through optimization of the value chain, and, in the current approach, Sharp will enhance global competitiveness by optimally combining technology, human resources and production for each value chain, such as technology development in Japan, panel planning in the countries or regions close to consumer markets, and production in the countries or regions taking advantage of low production cost infrastructure, respectively. By combining advanced LCD technology of Sharp with the highly efficient technology of the strategic partner CEC, Sharp will establish a system to provide highly competitive LCD panels and modules in a stable and timely manner, and steadily grow its LCD business.

(2) Overview of the joint venture company

| | | |
|----|------------------------------|---|
| 1) | Company name | Nanjing CEC-Panda Display Technology Co., Ltd. |
| 2) | Location | 9 Heng Yi Road, Economic and Technological Development Zone, Jiangsu Province, Nanjing, China |
| 3) | Title/Name of representative | Chairman, Lai Wei De |
| 4) | Business | Design, production, sales, and service of TFT-LCD panels, color filters, and finished LCD modules |

| | |
|--------------------------|---|
| 5) Amount of capital | 17.5 billion yuan (approximately 278.1 billion yen) (100 yen converted at the median rate announced by the People's Bank of China for June 26, 2013 of 6.2924 yuan) |
| 6) Date of incorporation | March 2014 (plan) |
| 7) Fiscal year end | December |
| 8) Shareholding ratio | CEC Group: 92%, Sharp Corporation: 8% |

(Note) The 8) shareholding ratio may fluctuate due to conversion at the currency exchange rate at the time that Sharp transfers the funds to China.

(3) Overview of the plant

- 1) Start of Construction : August, 2013 (plan)
- 2) Start of Operation : June, 2015 (plan)
- 3) Size of mother glass : 2,200mm×2,500mm
- 4) Input capacity : 60,000 substrates per month
- 5) Main products : High definition LCD panels and modules for TVs, PC monitors and tablets

2. Overview of the other party in the business alliance

| | |
|--|---|
| 1) Company name | China Electronics Corporation |
| 2) Location | 27th Electronic Building, Haidian District, Beijing, China |
| 3) Title/Name of representative | Chairman, Rui Xiaofang Wu |
| 4) Business | Design, development, production, sales and service of terminal equipment including electronic components, ICs, computers and core components, software and system integration, communications and 3C terminals (Computers=PCs, Communication = handsets, Consumer = digital appliances), electronic commercial trading, distribution and information services, design and contracting for electrical work |
| 5) Amount of capital | 8.6 billion yuan (approximately 136.7 billion yen) (100 yen converted at the median rate announced by the People's Bank of China for June 26, 2013 of 6.2924yuan) |
| 6) Date of incorporation | May 26, 1989 |
| 7) Major shareholders and shareholding ratio | State Council State-Owned Assets Supervision and Administration Commission 100% |
| 8) Relationship between the parties | |
| Capital ties | There are no capital ties between Sharp and the other party which should be noted herein. Furthermore, there are no capital ties between any affiliated person or affiliated company of Sharp and any affiliated person or affiliated company of the other party which should be particularly noted herein. |
| Personnel ties | There are no personal ties between Sharp and the other party which should be noted herein. Furthermore, there are no personal ties between any affiliated person or affiliated company of Sharp and any affiliated person or affiliated company of the other party which should be particularly noted herein. |
| Business ties | There are no business ties between Sharp and the other party which should be noted herein. However, there is a business tie through a 6th generation LCD panel production project with Nanjing CEC-PANDA LCD Technology Co., Ltd. which is affiliated with the other party. |
| Whether or not a "related person" | The other party does not correspond to a "related person" of Sharp. Furthermore, none of the affiliated persons or affiliated companies of the other party corresponds to a "related person" of Sharp. |
| 9) Business results and financial condition | |

| Fiscal year | Ended December 31, 2009 | Ended December 31, 2010 | Ended December 31, 2011 | Ended March 31, 2012 (Jan – Mar irregular closing) |
|--|-------------------------------|-------------------------------|-------------------------------|---|
| Net assets (on a consolidated basis) | 487,758 | 498,792 | 525,816 | 561,787 |
| Total assets (on a consolidated basis) | 1,466,140 | 1,518,720 | 1,785,174 | 1,917,631 |
| Current net assets (on a consolidated basis) per share (yen) | — | — | — | — |
| Sales (on a consolidated basis) | 1,163,932 | 1,978,709 | 2,074,352 | 481,089 |
| Operating profit (on a consolidated basis) | 19,894 | 35,957 | 24,444 | 1,322 |
| Current net profit (on a consolidated basis) | 19,271 | 34,876 | 35,468 | 5,201 |
| Current net profit (on a consolidated basis) per share (yen) | — | — | — | — |
| Dividend per share (yen) | — | — | — | — |

(Unit: Million Yen, excluding items specially noted.)

(Note) The above operating results are stated converted to yen at the median yuan - yen conversion rates announced by the People's Bank of China for the closing date of each applicable accounting period. 100 yen was converted at the rates of 7.3782 yuan (December 31, 2009), 8.1260 yuan (December 31, 2010), 8.1103 yuan (December 30, 2011), and 7.6690 yuan (March 30, 2012), respectively.

3. Schedule

| | | |
|----|---|----------------------------|
| 1) | Board of directors' meeting of Sharp, effective date of the business alliance | June 27, 2013 (Note1) |
| 2) | Conclusion of business alliance agreement | April, 2014 (plan) (Note2) |

(Note 1) The business alliance agreement was approved by the directors meeting of CEC on June 8, 2013, and will become effective upon approval at the board of directors' meeting of Sharp held today.

(Note 2) This business alliance is projected to take effect as soon as necessary permissions are obtained from related agencies of the Chinese government.

4. Future prospects

The impact on business performance accompanying this business alliance has already been factored into the consolidated earnings forecast for the year ending March 2014 that was announced on May 14, 2013.

Moreover, if any items arise in the future that must be disclosed in relation to this business agreement, they will be promptly disclosed.

End