

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

**Notice Regarding the Capital and Business Alliance with Makita Corporation
and Issuance of New Shares through Third-Party Allotment**

Sharp Corporation (“Sharp”) hereby announces that its board of directors has resolved on September 18, 2013, to enter into a capital and business alliance (“Capital and Business Alliance”) with Makita Corporation (“Makita”), and to issue new shares through a third-party allotment with Makita as the allottee (“Third-Party Allotment Capital Increase”).

In addition to the Third-Party Allotment Capital Increase, Sharp has resolved in favor of the following in its board of directors meeting regarding the offering of ordinary shares of Sharp in Japan (“General Offering in Japan”): an overseas offering (“Overseas Offering” and, together with the General Offering in Japan, the “Offering”), a third-party allotment to be undertaken in relation to the secondary offering of Sharp’s ordinary shares (due to over-allotment) in Japan in connection with the Offering (“OA Third-Party Allotment Capital Increase”) a third-party allotment with DENSO CORPORATION as the allottee based on Sharp’s alliance with DENSO CORPORATION (“DENSO Third-Party Allotment Capital Increase”) and a third-party allotment with LIXIL Corporation as the allottee based on Sharp’s capital and business alliance with LIXIL Corporation (“LIXIL Third-Party Allotment Capital Increase”). For details of each of these, please refer to the following notices, separately announced today: “Notice Regarding New Shares Issuance and Secondary Offering (This notice is issued in Japanese only),” “Notice Regarding the Issuance of New Shares through Third-Party Allotment for Collaboration with DENSO CORPORATION,” and “Notice Regarding the Capital and Business Alliance with LIXIL Corporation and the Issuance of New Shares Through Third-Party Allotment”.

I. Outline of the Capital and Business Alliance

1. Purpose of and Reasons for the Capital and Business Alliance

As part of Sharp’s strategy to break away from the current severe business environment and achieve assured “Recovery and Growth,” a “Medium-Term Management Plan for Fiscal 2013 through 2015” (“Medium-Term Management Plan”) was approved by board of directors resolution on May 14, 2013. In the Medium-Term Management Plan, Sharp announced that in addition to gradually implementing its business restructuring, it would venture into new businesses by leveraging its strengths to secure future growth.

As part of this, Sharp reached a basic agreement with Makita (as notified by Sharp in the press release of May 14, 2013, titled “Sharp signs for partnership with Makita Corporation, the manufacturer of electronic power tool”), with whom it had an existing OEM supplier relationship. As a result of a detailed and in-depth investigation, Sharp confirmed that an alliance between the companies would bring synergy benefits in the value chain encompassing product development, sales and after-sales services network and sourcing network; hence, the companies signed the business alliance. At the same time, in order to pursue the Business Alliance Agreement more reliably, Sharp and Makita agreed to enter into a capital alliance agreement, through which Sharp would receive an approximately 10 billion yen investment from Makita.

This collaboration will aid each party’s business expansion in the following ways:

- (1) Development of Makita’s products leveraging the electronics technologies of sensors and other similar products in Sharp’s possession; and

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- (2) Mutual use of each companies' value chains, such as sales network, after-sales services network, and sourcing network.

While implementing the Medium-Term Management Plan, Sharp decided that it would pursue new businesses aggressively by moving away from the policy of doing everything in-house and by utilizing its strategic alliances, with a view to entering into business alliances with excellent companies in and outside Japan; Makita's collaboration is part of this initiative. This collaboration will help Sharp expand its business portfolio from home (inside house/roof) to ground (site); in addition, it will also help in developing the Robotics business, which is one of the new business areas conceptualized by Sharp.

2. Details of the Capital and Business Alliance

The details of the Capital and Business Alliance are as follows:

- (1) Joint development in the fields of electric power tools, home devices, OPE (Outdoor Power Equipment), and supply of commercial items by Sharp; and
- (2) Mutual use of each companies' value chains, such as sales and after-sales services network, and sourcing network.

3. Outline of the partner company to the Capital and Business Alliance

For the outline of Makita, please refer to "II. 6. Reasons for Selecting the Allottee etc."

4. Schedule Regarding the Capital and Business Alliance

- (1) Date of board of directors resolution on the Capital and Business Alliance
September 18, 2013 (Wednesday)
- (2) Contract execution concerning the Capital and Business Alliance
September 18, 2013 (Wednesday)
- (3) Start date of business pursuant to the Capital and Business Alliance
September 18, 2013 (Wednesday)
- (4) A forthcoming resolution (Planned) on the issuance of shares in the Third-Party Allotment Capital Increase
One of the dates between October 7, 2013 (Monday) and October 9, 2013 (Wednesday)

II. Issuance of New Shares through Third-Party Allotment

1. Outline of Offering for Third-Party Allotment

①	Payment Date	One of the dates between October 22, 2013 (Tuesday) and October 24, 2013 (Thursday) (Note) 1
②	Number of New Shares to be Issued	28,696,000 Shares (Note) 2
③	Issue Price	To be determined (Note) 3
④	Amount of Proceeds	9,999,982,080 yen (Note) 4
⑤	Method of Subscription or Allotment (Expected Allottee)	Third-party allotment (All shares to be issued are expected to be allotted to Makita Corporation.)
⑥	Others	※Each of the above is subject to the relevant security registration statement being effected pursuant to the Financial Instruments and Exchange Act of Japan. ※The terms and conditions of the Third-Party Allotment Capital Increase were

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	determined by Sharp's board of directors resolution passed at the meeting held on September 18, 2013, and as soon as the issue price is determined, Sharp will pass a board of directors resolution regarding the Third-Party Allotment Capital Increase A forthcoming resolution (Planned) on the issuance of shares in the Third-Party Allotment Increase is expected to be held on the Offer Price etc. Finalization Date (refer to (Note) 3).
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- (Note) 1. A date after 15 days from the forthcoming resolution (Planned) on the issuance of shares in the Third-Party Allotment Capital Increase.
2. Regarding the number of new shares to be issued, it has been determined as above by board of directors resolution as prescribed in Article 199, paragraph 1 of the Companies Act. However, if the amount obtained by multiplying the number of new shares to be issued by the issue price differs from the expected total issue price of 10,000 million yen ("Estimated Total Issue Price"), the number of shares obtained by dividing the Estimated Total Issue Price by the issue price per share (refer to (Note) 3) (any number of shares less than 1,000 shares will be rounded down) will be allotted, and Sharp will determine the number as the number of new shares to be issued by a forthcoming board of directors resolution to be held on the Offer Price etc. Finalization Date (refer to (Note) 3) as prescribed in Article 199, paragraph 1 of the Companies Act.
3. In the new shares issuance through the General Offering in Japan, the issue price above will be the same as the offer price determined on one of the dates between October 7, 2013 (Monday) and October 9, 2013 (Wednesday) ("Offer Price etc. Finalization Date"). In the General Offering in Japan, per the method prescribed in Article 25 of the Regulations Concerning Underwriting, etc. of Securities established by the Japan Securities Dealers Association, any price (less than 1 yen is rounded down) obtained by multiplying the closing price (the closing price of the preceding business day if the closing price for that day is not available) in regular trading of Sharp's ordinary shares on the Tokyo Stock Exchange, Inc. on the Offer Price etc. Finalization Date, by 0.90 to 1.00, in consideration of the demand situation, and so on, then the offer price decided for the General Offering in Japan will be determined on the Offer Price etc. Finalization Date.
4. It is the amount obtained by multiplying the number of new shares to be issued by the issue price. The amount of proceeds above is the estimated amount calculated based on the closing price of Sharp's ordinary shares on the Tokyo Stock Exchange, Inc. as of September 12, 2013 (Thursday). In a practical sense, if the amount obtained by multiplying the number of new shares to be issued by the issue price differs from the Estimated Total Issue Price, the number of shares obtained by dividing the Estimated Total Issue Price by the issue price per share (any number of shares less than 1,000 shares will be rounded down) will be allotted, and Sharp will determine the number as the number of new shares to be issued by a forthcoming board of directors resolution to be held on the Offer Price etc. Finalization Date as prescribed in Article 199, paragraph 1 of the Companies Act. Therefore, the upper limit of the amount of proceeds is 10,000 million yen.

2. Purpose of and Reason for Offering for Third-Party Allotment

The business environment surrounding Sharp has remained difficult due to the prolonged strong yen, rapid commoditization, and a continuing downward-market price trend of digital products. In addition, due to the economic recession in the developed world after the Lehman Brothers fall, the rapid shrinkage of the liquid crystal display TV domestic market and the sales decrease caused by the price drop after the end of the eco-point program, Sharp group has reported losses of over 900 billion yen in aggregate for FY 2011 and FY 2012.

Considering this situation, Sharp put together an organization to implement several measures to improve business performance, such as the reduction of fixed costs by optimizing inventory and reducing personnel cost through voluntary retirement, which led to Sharp reporting operating profits in the second half of FY 2012. In addition to continuing efforts to improve its business performance, Sharp announced the Medium-Term Management Plan on May 14, 2013, to reliably implement the reconstruction of the business portfolio starting in FY 2013 and become "a new Sharp" that would result in stabilizing profit growth and generating cash flow.

In the Medium-Term Management Plan, Sharp has established three basic strategies, namely: (1) shift

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management resources to “advantageous markets and fields,” (2) exit closed innovation and aggressively utilize alliances, and (3) enforce executions by innovating governance systems. Furthermore, Sharp has decided to implement bold structural reforms, such as restructuring its business portfolio and closing any loss-making business. In addition, as a future growth strategy, Sharp will expand in new business areas by creating synergistic benefits between Sharp’s advantageous technology and sales channels and the technologies of its partner companies. Sharp is also working on new initiatives by focusing on five business segments: “Healthcare and Medical,” “Robotics,” “Smart Home/Mobility (including in-car)/Office,” “Safety and Reliability of Food/Water/Air” and “Education.”

For the purpose of reliably executing the Medium-Term Management Plan and securing strategic investment funds and building a robust financial foundation to achieve sustainable growth, in addition to the Offering, as part of this, as described in “I. Outline of the Capital and Business Alliance” above, by using Sharp’s electronics technologies (including its sensor technologies) for Makita’s product development and by mutually using each companies’ value chains, such as sales and after-sales services network and sourcing network, Sharp will pursue an alliance with Makita. Moreover, to strengthen the trust relationship between both companies and pursue a business alliance more reliably, the Third-Party Allotment Capital Increase will be conducted with Makita as the expected allottee.

Sharp believes it will maintain sustained growth by securing an equipment investment fund etc. mainly for strategic investment areas to achieve the Medium-Term Management Plan and by implementing the Offering and the Third-Party Allotment Capital Increase, the DENSO Third-Party Allotment Capital Increase, and the LIXIL Third-Party Allotment Capital Increase (collectively referred to as “Proceeds”). In addition, by strengthening its financial foundation and securing financial flexibility achieved through the Proceeds, Sharp will aim for medium- to long-term growth of Sharp group by transforming its business structure into a sustainable profitability structure; furthermore, Sharp will strive to maximize the profits afforded to shareholders as well as all stakeholders.

3. Amount of Proceeds to be Procured, Intended Use of Proceeds and Timing of Use as Intended

(1) Amount of Proceeds to be Procured

①	Total Amount of Proceeds	9,999,982,080 yen (Note) 3
②	Approximate Costs of Issuance	54,000,000 yen
③	Approximate Net Proceeds	9,945,982,080 yen (Note) 4

(Note) 1. The approximate costs of issuance do not include consumption tax, and so on.

2. The major breakdown of the approximate costs of issuance is registration costs (approx. 35 million yen), legal advisers’ fees (approx. 7 million yen), costs relating to stock exchange (approx. 9 million yen), and other costs (approx. 3 million yen).
3. This will be calculated by multiplying the issue price set out in “1. Outline of the Offering for Third-Party Allotment” above by the number of new shares to be issued. It is expected that the total amount of proceeds will be close to the Estimated Total Issue Price. The total amount of proceeds mentioned above is the amount of proceeds in “1. Outline of the Offering for Third-Party Allotment” above, and it is the expected amount.
4. This will be the total amount of proceeds less the estimated approximate costs of issuance.

(2) Intended Use of Proceeds to be Procured and Timing of Use as Intended

The approximate net proceeds of 9,946 million yen set out above is planned to be used for the following. Until the allocation of proceeds for the following intended use, the proceeds shall be deposited in a bank.

Intended Use of Proceeds	Amount	Timing of Use as Intended
Investment in production equipment and development facilities for the expansion of products in the field of electric power tools, home	4,000 million yen	From October 2013 to September 2018

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equipment, and OPE (Outdoor Power Equipment)		
Expenses incurred for technology development for the expansion of products in the field of electric power tools, home equipment, and OPE (Outdoor Power Equipment)	5,946 million yen	From October 2013 to September 2018

As mentioned in “2. Purpose of and Reasons for the Offering for Third-Party Allotment” above, by engaging in the business alliance* containing development of products for Makita in the fields of electric power tools, home equipment, and OPE (Outdoor Power Equipment) using Sharp’s electronics technologies (including its sensor technologies), Sharp expects that it will help in developing the Robotics business, which is one of the new businesses conceptualized by Sharp. This is part of the new business initiatives in the priority business areas mentioned in the Medium-Term Management Plan, and we think it will help in increasing the corporate value of Makita and Sharp and result in sustainable growth.

* The period of business alliance is expected for 5 years from September, 2013 to September 2018.

4. Rationale for Use of Proceeds

Allocating proceeds for the funds required to pursue the business alliance with Makita reliably will increase Sharp’s corporate value; therefore, the use of proceeds is rational.

5. Rationale for Conditions of Issuance

(1) Basis of Calculation of Issue Price and Details Thereof

In the meeting held on September 18, 2013, Sharp’s board of directors decided that the issue price for the Third-Party Allotment Capital Increase would be the same amount as the offer price decided for the General Offering in Japan. The offer price decided for the General Offering in Japan will be decided per the methods prescribed in Article 25 of the Regulations Concerning Underwriting, etc. of Securities established by the Japan Securities Dealers Association.

Sharp has determined that the issue price is reasonable, and this issuance does not fall under a preferred issuance of shares. All of its four corporate auditors (of which three are outside auditors), who were present at the board of directors meeting with respect to the Third-Party Allotment Capital Increase have expressed their views that this issuance is in accordance with the appropriate guideline that falls under “Methods of Deciding the Appropriate Paid Amount for Achieving Payment by Fair Price” as prescribed in Article 201, paragraph 2 of the Companies Act; moreover, these auditors have expressed their opinions that this issue price decided per this method would not fall under a preferred issuance of shares.

(2) Rationale for the Determination of the Number of Shares to be Issued and the Degree of Dilution of Shares is Reasonable

The expected number of 28,696,000 ordinary shares of Sharp to be allotted to the expected allottee under the Third-Party Allotment Capital Increase ((Note) 1) is 2.52% (2.55% against the total voting rights of 1,125,054 ((Note) 2) of 1,140,819,887 shares. This number represents the total number of shares issued before third-party allotment capital increases and is obtained by deducting (a) 35,804,000 of Sharp’s ordinary shares allotted to Samsung Electronics Japan Co., Ltd. pursuant to a third-party allotment with Samsung Electronics Japan Co., Ltd. (“Samsung Electronics Japan”) as the allottee (“Samsung Electronics Japan Third-Party Allotment Capital Increase”) on March 28, 2013 and (b) 11,868,000 of Sharp’s ordinary shares allotted to QUALCOMM pursuant to a third-party allotment with QUALCOMM INCORPORATED (“QUALCOMM”) as the allottee (“QUALCOMM Second Third-Party Allotment Capital Increase”) on June 24, 2013 from 1,188,491,887, the total number of Sharp’s ordinary outstanding shares as of September 17, 2013.

The total number of Sharp’s ordinary shares to be allotted pursuant to the Third-Party Allotment Capital Increase, the DENSO Third-Party Allotment Capital Increase, and the LIXIL Third-Party Allotment Capital Increase, combined with Sharp’s ordinary shares issued pursuant to the QUALCOMM Second Third-Party Allotment Capital Increase and the Samsung Electronics Japan Third-Party Allotment Capital Increase, is 97,890,000 shares; representing 8.58% of 1,140,819,887 shares, which is the total number of shares issued before any third-party allotment capital increase (8.70%

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against total voting rights of 1,125,054 ((Note 2)).

However, as mentioned in “2. Purpose of and Reason for the Offering for Third-Party Allotment” and “3.(2) Intended Use of Proceeds” above, the proceeds from the Third-Party Allotment Capital Increase will be allocated to the development of products for Makita using Sharp’s electronics technologies (including its sensor technologies). Additionally, by developing the Robotics business, which is one of the new businesses conceptualized by Sharp, this business alliance will increase Sharp’s corporate value and help sustainable growth. Therefore, Sharp has determined that the number of shares to be issued and the degree of dilution of shares by the Third-Party Capital Allotment Increase, and the total number of shares to be issued and the degree of dilution of shares by the Third-Party Capital Allotment Increase, the DENSO Third-Party Allotment Capital Increase, the LIXIL Third-Party Allotment Capital Increase, the QUALCOMM Second Third-Party Allotment Capital Increase and the Samsung Electronics Japan Third-Party Allotment Capital Increase, are reasonable.

(Note) 1. If the amount obtained by multiplying the number of new shares to be issued by the issue price differs from the Estimated Total Issue Price, the number of shares obtained by dividing the Estimated Total Issue Price by the issue price per share (any number of shares less than 1,000 shares will be rounded down) will be allotted; furthermore, Sharp will determine the number as the number of new shares to be issued by a forthcoming board of directors resolution to be held on the Offer Price etc. Finalization Date as prescribed in Article 199, paragraph 1 of the Companies Act.

2. The total number of shares with voting rights is calculated by deducting from the total of 1,188,491,887 issued shares, 5,291,887 shares in the form of fractional shares in the shareholders’ register as of March 31, 2013; 10,399,000 treasury shares (excluding fractional shares); 75,000 mutually held shares; 35,804,000 ordinary shares that Sharp issued to Samsung Electronics Japan Co., Ltd. pursuant to the Samsung Electronics Japan Third-Party Allotment Capital Increase; and 11,868,000 ordinary shares that Sharp issued to QUALCOMM pursuant to the QUALCOMM Second Third-Party Allotment Capital Increase.

3. If the closing price (the closing price of the preceding business day if the closing price for that day is not available) in regular trade of Sharp’s ordinary shares on the Tokyo Stock Exchange, Inc. on the Offer Price etc. Finalization Date is the same as the closing price (370 yen) in regular trade of Sharp’s ordinary shares on the Tokyo Stock Exchange, Inc. on September 17, 2013, any price (less than 1 yen is rounded down) obtained by multiplying these price by 0.90 will be the minimum issue price (refer to (Note3) in “1.Outline of the Offering for Third-Party Allotment” above). In this instance, 30,030,000 ordinary shares of Sharp will be allotted to the expected allottee; moreover, this is 2.63% against 1,140,819,887 shares, which is the total number of shares issued before any third-party allotment capital increase (2.67% against total voting rights of 1,125,054).

The total number of ordinary shares to be allotted pursuant to the Third-Party Allotment Capital Increase, the DENSO Third-Party Allotment Capital Increase, and the LIXIL Third-Party Allotment Capital Increase calculated by the minimum issue price will be based on the hypothesis above, and ordinary shares issued to the QUALCOMM Second Third-Party Allotment Capital Increase and the Samsung Electronics Japan Third-Party Allotment Capital Increase is 100,224,000 shares; moreover, this is 8.79% against 1,140,819,887 shares, which is the total number of shares issued before any third-party allotment capital increase (8.91% against total voting rights of 1,125,054).

6. Reasons for Selecting the Allottee etc.

(1) Outline of the Expected Allottee etc.

① Name	Makita Corporation
② Location	3-11-8, Sumiyoshi-cho, Anjo-city, Aichi-prefecture, Japan
③ Name and Title of	Shiro Hori, President

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Representative			
④	Business	Manufacturing and sales of electric power tools, stationary woodworking machines, air tools, garden tools and household tools	
⑤	Capital	24,205.61 million yen	
⑥	Date of establishment	December 10, 1938	
⑦	Number of Issued Shares	140,008,760 shares	
⑧	Fiscal Year Ended	March 31	
⑨	Number of Employees	12,680 (Consolidated)	
⑩	Main Customers	(sale distribution) Thai Seng Trading Co., Ltd., Hayashi Co., Ltd., Tomioka Eitaro Shoten Co., Ltd. (supplier) Sony Corporation, Showa Kogyo Co., Ltd., Sekido Kiko Mfg. Co., Ltd.	
⑪	Main Financing Bank	The Bank of Tokyo-Mitsubishi UFJ, Ltd. and Sumitomo Mitsui Banking Corporation, Mizuho Bank, Ltd.	
⑫	Major Shareholder and Ratio of Shareholding	The Master Trust Bank of Japan, Ltd. (Trust Account)	6.18%
		Japan Trustee Services Bank, Ltd. (Trust Account)	4.02%
		The Bank of Tokyo-Mitsubishi UFJ, Ltd.	3.01%
		Maruwa Corporation	2.91%
		Makita Partners Investment Association	2.88%
⑬	Relationships between the parties		
	Capital Relationship	Sharp and the relevant company have no significant capital relationship. In addition, any related parties and affiliates of Sharp and those of the relevant company have no significant capital relationship.	
	Personnel Relationship	Sharp and the relevant company have no significant personnel relationship. In addition, any related parties and affiliates of Sharp and those of the relevant company have no significant personnel relationship.	
	Transaction Relationship	Sharp and the relevant company have no transaction relationship worth mentioning here. Besides, there is no translation relationship between concerned parties of Sharp and affiliate companies with the relevant company.	
	Status as a Related Party	The relevant company does not belong to Sharp's related parties. In addition, any related parties and affiliates of the relevant company do not belong to any related parties of Sharp.	
⑭	Business Results and Financial Conditions for Previous Three Fiscal Years (Based on US GAAP)		
Fiscal Year Ended	Ended March 31, 2011	Ended March 31, 2012	Ended March 31, 2013
Total Capital	309,678	323,778	376,332
Total Assets (on a consolidated basis)	372,507	383,256	440,974
Net Assets (on a consolidated basis) per Share (yen)	2,229.63	2,366.50	2,751.78
Sales (on a consolidated basis)	272,630	295,711	309,630
Operating Income (on a consolidated basis)	41,909	48,516	45,366
Net Income before taxes	42,730	46,963	45,691
Net Income to Shareholders	29,905	32,497	31,076
Net Income to Shareholders per Share of Common Stock(yen)	217.08	236.78	228.92
Dividend per Share (yen)	66.00	72.00	69.00

(Unit: million yen unless otherwise specified.)

(Note) 1. Capital, number of issued shares, number of employees, and major shareholders and ratio of their shareholding

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are as of March 31, 2013.

2. Makita is listed in the First Section of the Tokyo Stock Exchange, Inc. and in the First Section of the Nagoya Stock Exchange, Inc.. After checking its basic philosophy and preparedness for exclusion of antisocial forces as described in the corporate governance report submitted by Makita to the aforementioned two stock exchanges, Sharp has determined that Makita and corporate officers and major shareholders of Makita have no relationship whatsoever with antisocial forces; accordingly, a confirmation document has been submitted to the Tokyo Stock Exchange, Inc..

(2) Reasons for Selecting the Allottee

Please refer to the aforementioned “I. 1. Purpose of and Reasons for the Capital and Business Alliance” regarding the reasons for selecting the allottee.

(3) Policy of the Allottee for Holding Shares of Sharp

Makita, the expected allottee (the “Allottee”), has confirmed its intention of holding Sharp’s ordinary shares continuously for at least 180 days as calculated from the date of issue in writing.

Besides, in the capital alliance agreement with the expected allottee, it is agreed between the companies that the expected allottee will notify Sharp in advance and discuss the policy of selling shares with Sharp, if the expected allottee wishes to transfer Sharp’s shares in its possession to a third party after the passage of 180 days from the issue date of the Third Party Allotment Capital Increase.

Sharp will obtain written confirmation from the Allottee that if all or part of Sharp’s ordinary shares to be allotted are assigned by the Allottee within two years as calculated from the date of issue, the Allottee shall report on such assignment to Sharp; furthermore, the Allottee will agree that Sharp will report the contents of the relevant report to the Tokyo Stock Exchange, Inc., and the contents thereof shall be made publicly available.

(4) Contents of Confirmation of Payment Capacity of the Allottee Regarding Payment for Subscription of Shares

As a result of confirming total assets, net assets, and cash, etc. (as described in the quarterly report (submitted on August 9, 2013) and the most recent securities report (submitted on June 26, 2013) by Makita to the Director-General of the Kanto Local Finance Bureau), Sharp believes Makita will be able to make payment for subscription of shares in respect of the Third-Party Allotment Capital Increase.

7. Major Shareholders and Their Shareholding Ratio after the Offering

Before Offering (as of August 31, 2013)		After the Offering	
Nippon Life Insurance Company	4.68%	Nippon Life Insurance Company	3.30%
Meiji Yasuda Life Insurance Company	3.85%	Meiji Yasuda Life Insurance Company	2.71%
QUALCOMM INCORPORATED	3.53%	QUALCOMM INCORPORATED	2.49%
Mizuho Bank, Ltd.	3.53%	Mizuho Bank, Ltd.	2.48%
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	3.51%	The Bank of Tokyo-Mitsubishi UFJ, Ltd.	2.47%
Samsung Electronics Japan Co., Ltd.	3.01%	Samsung Electronics Japan Co., Ltd.	2.12%
Mitsui Sumitomo Insurance Co., Ltd.	2.58%	Mitsui Sumitomo Insurance Co., Ltd.	1.82%
SHARP Employee Share-Holding Association	2.17%	Makita Corporation	1.70%
Japan Trustee Services Bank, Ltd. (Trust Account)	1.92%	SHARP Employee Share-Holding Association	1.53%
Sompo Japan Insurance Inc.	1.81%	Japan Trustee Services Bank, Ltd. (Trust Account)	1.35%

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- (Note) 1. On July 1, 2013, the former Mizuho Corporate Bank and the former Mizuho Bank, Ltd. merged. The former Mizuho Corporate Bank, Ltd., which is the surviving company, was renamed “Mizuho Bank, Ltd.” Furthermore, in the register of shareholders as of March 31, 2013, because no share is held in the former Mizuho Bank, Ltd., in the ratio of shareholding of Mizuho Bank, Ltd. before and after the offering, the number of shares held by the former Mizuho Corporate Bank in the shareholders’ register has been used as a reference for calculation.
2. The shareholding ratio before the Offering is based on the shareholders’ register as of March 31, 2013, including the number of shares to be issued pursuant to the QUALCOMM Second Third-Party Allotment Capital Increase. The shareholding ratio after the Offering is based on the same shareholder’s register, including the number of shares to be issued pursuant to the QUALCOMM Second Third-Party Allotment Capital Increase, and taking into account the increase pursuant to the Offering, the Third-Party Allotment Capital Increase. The DENSO Third-Party Allotment Capital Increase, and the LIXIL Third-Party Allotment Capital Increase, and the figure mentioned here relates to when applications for the OA Third-Party Allotment Capital Increase for Nomura Securities Co., Ltd. have been submitted. When it is decided that the total number of shares obtained by dividing the Estimated Total Issue Price of Makita, DENSO, and LIXIL with their respective issue price per share (shares less than 1,000 shares will be rounded down) is the total number of new shares to be issued by a forthcoming board of directors resolution to be held on the Offer Price etc. Finalization Date as prescribed in Article 199, paragraph 1 of the Companies Act, the ratio of shareholding after the aforementioned offerings for all shareholders mentioned above would be calculated by dividing the number of shares obtained by adding the increase in the number of shares pursuant to the QUALCOMM Second Third-Party Allotment Capital Increase, the Offering, and the OA Third-Party Allotment Capital Increase, as well as shares to be newly issued above to the total number of outstanding shares as of March 31, 2013, with the number of shares held by each shareholder.
3. In the ratio of shareholding before and after the Offering, figures are rounded to the third decimal place.

8. Future Prospects

The impact of the Capital and Business Alliance on consolidated business performance for the year ending March 2014 is negligible.

Today, Sharp has revised its financial results forecast for the six months ending September 30, 2013, announced on May 14, 2013. For more details, refer to “Notice of Revision of Financial Results Forecast for the Six Months Ending September 30, 2013” announced today.

9. Matters Concerning Procedures in the Code of Corporate Conduct

Sharp is not required to obtain an independent third-party’s opinion or to confirm the intent of each shareholder concerning the Third-Party Allotment Capital Increase, as provided for in Rule 432 of the Securities Listing Regulations by the Tokyo Stock Exchange, Inc., since (1) the dilution rate of the Third-Party Allotment Capital Increase is less than 25% and (2) the Third-Party Allotment Capital Increase does not involve any change in the controlling shareholder.

10. Business Results for and Status of Equity Finance Executed in Previous Three Fiscal Years

(1) Business Results for Previous Three Fiscal Years (Consolidated)

	Ended March 31, 2011	Ended March 31, 2012	Ended March 31, 2013
Sales	3,021,973 million yen	2,455,850 million yen	2,478,586 million yen
Operating Income or Operating Loss (-)	78,896 million yen	-37,552 million yen	-146,266 million yen
Ordinary Income or Ordinary Loss (-)	59,124 million yen	-65,437 million yen	-206,488 million yen

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Net Income or Net Loss (-)	19,401 million yen	-376,076 million yen	-545,347 million yen
Net Income or Net Loss (-) per Share	17.63 yen	-341.78 yen	-489.83 yen
Dividend per Share	17.00 yen	10.00 yen	0.00 yen
Net Assets per Share	932.46 yen	568.83 yen	106.90 yen

(2) Current Number of Issued Shares and Dilutive Shares (as of September 17, 2013)

	Number of Shares	Ratio of Total Number of Issued Shares
Number of Issued Shares	1,188,491,887 shares	100.0%
Number of Dilutive Shares at Current Conversion Price (exercise price)	79,272,662 shares	6.7%
Number of Dilutive Shares at Minimum Conversion Price (exercise price)	—	—
Number of Dilutive Shares at Maximum Conversion Price (exercise price)	—	—

(3) Recent Stock Prices

① Stock Prices for Previous Three Fiscal Years

	Ended March 31, 2011	Ended March 31, 2012	Ended March 31, 2013
Opening	1,172 yen	824 yen	606 yen
High	1,260 yen	842 yen	607 yen
Low	626 yen	467 yen	142 yen
Closing	825 yen	604 yen	272 yen

(Note 1) All prices indicated above are trading prices on the First Section of the Tokyo Stock Exchange, Inc..

② Stock Prices for Previous Six Months

	April	May	June	July	August	September
Opening	271 yen	325 yen	452 yen	403 yen	409 yen	384 yen
High	403 yen	633 yen	469 yen	491 yen	432 yen	404 yen
Low	234 yen	318 yen	351 yen	391 yen	380 yen	342 yen
Closing	338 yen	476 yen	400 yen	404 yen	384 yen	370 yen

(Note) 1. All prices indicated above are trading prices on the First Section of the Tokyo Stock Exchange, Inc..

2. Shares prices in September 2013 indicated above are the stock prices as of September 17, 2013.

③ Stock Prices on the Business Day Immediately Preceding Date of Resolution Authorizing the Issuance

	September 17, 2013
Opening	348 yen
High	376 yen
Low	342 yen
Closing	370 yen

(4) Equity Finance for Previous Three Years

Regarding the Third-Party Allotment Capital Increase with QUALCOMM as the allottee undertaken on December 27, 2012 (“QUALCOMM First Third-Party Allotment Capital Increase”), the QUALCOMM Second Third-

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Party Allotment Capital Increase and the Samsung Electronics Japan Third-Party Allotment Capital Increase, payment has been completed for all of them.

The contents of each of the above offerings at the time of the respective announcements of the Third-Party Allotment Capital Increase are as follows:

<QUALCOMM First Third-Party Allotment Capital Increase>

Payment Date	December 27, 2012
Amount of Proceeds	4,711,680,000 yen (Estimated Net Amount)
Issue Price	164 yen per share
Total number of issued shares	1,110,699,887 shares
Number of shares offered	30,120,000 shares
Total number of shares after offering	1,140,819,887 shares
Allottee	QUALCOMM INCORPORATED 30,120,000 shares
Initial purpose of use of the funds as intended at the time of issue:	Development cost for the next generation MEMS display and investment in the equipment required for development
Timing of use of funds as intended at the time of issue	December 2012 to March 2013
Status of allocation as of today	Allocation has been made as per the initial purpose of use of the funds.

<Samsung Electronics Japan Third-Party Allotment Capital Increase>

Payment Date	March 28, 2013
Amount of Proceeds	10,134,160,000 yen (Estimated net amount)
Issue Price	290 yen per share
Total number of issued shares	1,140,819,887 shares
Number of shares offered	35,804,000 shares
Total number of shares after offering	1,176,623,887 shares
Allottee	Samsung Electronics Japan Co., Ltd. 35,804,000 shares
Initial purpose of use of the funds as intended at the time of issue:	Introduction of new technology for LCDs with high-definition features, investment including rationalization of manufacturing facilities for LCDs used in mobile devices such as tablet terminals and notebook computers with high-definition features
Timing of use of funds as intended at the time of issue	April 2013 to March 2015
Status of allocation as of today	Partial allocation has been made as per the initial purpose of use of the funds.

<QUALCOMM Second Third-Party Allotment Capital Increase>

Payment Date	June 24, 2013
Amount of Proceeds	5,852,736,000 yen (Estimated net amount)
Issue Price	502 yen per share
Total number of issued shares	1,176,623,887 shares
Number of shares offered	11,868,000 shares
Total number of shares after offering	1,188,491,887 shares
Allottee	QUALCOMM INCORPORATED 11,868,000 shares
Initial purpose of use of the funds as intended at the time of issue:	Development cost for the production technology of the next generation MEMS display and investment in the equipments required for the development of production technology
Timing of use of funds as intended at the time of issue	June 2013 to December 2014
Status of allocation as of today	Partial allocation has been made as per the initial purpose of use of the funds.

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| 11. | Issue Procedure | |
| (1) | Classes and Number of shares offered | Sharp's ordinary shares, 28,696,000 Shares (Note) 1 |
| (2) | Issue Price | To be determined (Note) 2 |
| (3) | Total Amount of proceeds | 9,999,982,080 yen (Note) 3 |
| (4) | Amount of increase in capital | 4,999,991,040 yen (Note) 4 |
| (5) | Amount of increase in capital reserve fund | 4,999,991,040 yen (Note) 5 |
| (6) | Method of Subscription or Allotment
(Expected Allottee and expected number of allotted shares) | Third-party allotment
(All shares to be issued are expected to be allotted to Makita Corporation.) |
| (7) | Payment Date | One of the dates between October 22, 2013 (Tuesday) and October 24, 2013 (Thursday) (Note) 6 |
| (8) | Other | <p>※Each of the above is subject to effectuation of the relevant security registration statement pursuant to the Financial Instruments and Exchange Act of Japan.</p> <p>※The terms and conditions of the Third-Party Allotment Capital Increase were determined by the resolution passed at the board meeting of Sharp held on September 18, 2013, and as soon as the issue price is determined, Sharp will pass resolution of the board meeting with regard to the Third-Party Allotment Capital Increase. A forthcoming resolution of issuance of shares in the Third-Party Allotment Increase is expected to be held on the Offer Price etc. Finalization Date.</p> |

- (Note) 1. Regarding the number of new shares to be issued, it has been determined as above by board of directors resolution as prescribed in Article 199, paragraph 1 of the Companies Act. However, if the amount obtained by multiplying the number of new shares to be issued by the issue price differs from the Estimated Total Issue Price, the number of shares obtained by dividing the Estimated Total Issue Price by the issue price per share (any number of shares less than 1,000 shares will be rounded down) will be allotted, and Sharp will determine the number as the number of new shares to be issued by a forthcoming board of directors resolution to be held on the Offer Price etc. Finalization Date as prescribed in Article 199, paragraph 1 of the Companies Act.
2. In the new share issuance pursuant to the General Offering in Japan, the issue price above will be the same as the offer price determined on the Offer Price etc. Finalization Date. In the General Offering in Japan, per the method prescribed in Article 25 of the Regulations Concerning Underwriting, etc. of Securities established by the Japan Securities Dealers Association, any price (less than 1 yen is rounded down) obtained by multiplying the closing price (the closing price of the preceding business day if the closing price for that day is not available) in regular trading of Sharp's ordinary shares on the Tokyo Stock Exchange, Inc. on the offer Price etc. Finalization Date, by 0.90 to 1.00, in consideration of the demand situation, and so on, then the Offer price in the General Offering in Japan is determined on the Issue Price Finalization Date.
3. It is the amount obtained by multiplying the number of new shares to be issued ((Note) 1) by the issue price ((Note) 2). The total amount of proceeds above is the estimated amount calculated based on the closing price of Sharp's ordinary shares on the Tokyo Stock Exchange, Inc. as of September 12, 2013 (Thursday).
4. The amount of capital to be increased is the amount of capital to be increased under the Companies Act, and it

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is taken as 1/2 the maximum limit of increase in capital calculated according to Article 14, paragraph 1 of the Ordinance on Company Accounting; furthermore, if fractions have occurred as a result of the calculation, they will be rounded down. The aforementioned increase in the amount of capital is the estimated amount calculated based on the expected total amount of proceeds above.

5. The amount obtained by reducing the amount of increase in capital ((Note) 4) from the upper limit of increase in capital ((Note) 4).
6. A date after 15 days from the forthcoming resolution on the issuance of shares in the Third-Party Allotment Capital Increase.

(Reference) Forecast of financial results for the year ending March 31, 2014, announced on May 14, 2013, and consolidated financial results for the Year Ending March 31, 2013. (million yen)

	Sales (on a consolidated basis)	Operating Income (on a consolidated basis)	Ordinary Income (on a consolidated basis)	Net Income (on a consolidated basis)
Forecast for the Year Ending March 31, 2014	2,700,000	80,000	40,000	5,000
Results for the Year Ending March 31, 2013	2,478,586	-146,266	-206,488	-545,347

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