

July 11, 2014

To Whom It May Concern

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

**Notice Regarding Extraordinary Items in Other Expenses
due to Restructuring of Solar Cell Business in Europe**

Sharp Corporation (“Sharp”) has resolved, at its board of directors meeting held on July 11, 2014, to enter into an agreement with Enel Green Power S.p.A (“EGP”) under which EGP undertakes to repurchase all the volume that Sharp is supposed to purchase in the future under a long-term supply contract of the thin-film solar cells to be produced by the thin-film solar cell manufacturer 3Sun S.r.l. (“3Sun”).

Sharp announces that extraordinary items in Other Expenses are anticipated due to this, as follows.

1. EGP’s repurchase of all the volume that Sharp is supposed to purchase
- (1) Reason and background for EGP’s repurchase

In January 2010, Sharp entered into a joint-venture agreement with EGP and STMicroelectronics N.V. concerning the production business of thin-film solar cells, and in July 2010 the joint venture company 3Sun was established. 3Sun then started production of thin-film solar cells at a facility in Catania, Sicily Region, Italy in December 2011, and 3Sun, EGP and Sharp entered into a long-term supply agreement under which Sharp and EGP undertake to purchase thin-film solar cells produced by 3Sun.

Thin-film solar cells produced by 3Sun have excellent temperature characteristics, maintaining power output even at high temperatures compared with crystalline solar cells, and it was envisioned that EGP and Sharp would sell these solar cells through their respective value chains to large-scale power plants in such areas as European, Middle East and African countries. However, in the face of a deterioration in the European economy, revisions of the FIT (Feed-in Tariff for electric energy) policies of major countries, and the more sudden than expected drop in market prices for solar cell modules and other changes of the business environment, it became necessary for Sharp to restructure its solar-cell business in Europe.

Against this backdrop, Sharp consulted with its partner EGP regarding repurchase of thin-film solar cells to be produced by 3Sun, and it was agreed that, by Sharp’s payment of certain consideration to EGP, EGP will undertake to repurchase all the volume that Sharp is supposed to purchase from July 15 of this year. Sharp will devote towards part of the consideration all the equity interests that are owned by Sharp group (50 percent of all of the equity interests of ESSE (Enel Green Power & Sharp Solar Energy S.r.l.*)) of the joint venture company ESSE regarding solar energy power business (the business of development and possession of solar power plants and sales of electric power) which is jointly invested in by Sharp and EGP, and Sharp will have withdrawn from the business of ESSE. In addition, the joint venture business of 3Sun will be continued.

As Sharp represents in “The Progress of Sharp’s Medium-Term Management Plan” released this May, Sharp has dealt with restructuring its business in Europe, and regarding the solar-cell business, Sharp has a policy by which it would perform a review of the business model centering around the production and sales of solar cell modules, and drastically transform its value chain, for example by increasing the proportion of sales accounted for by EPC (business of engineering, procurement and construction) of Mega-solars (large scale solar power plants). Based on this resolution, regarding the solar-cell business in Europe in the future, Sharp will continue the production and sale business of thin-film solar cells, and deal with profitability improvements by focusing on the EPC business of Mega-solars in areas in which characteristics of thin-film solar cells are utilized.

* The location of the headquarters of the business is Rome, Lazio Region, Italy. The locations of the solar power plants are Italy and Greece.

(2) Outline of repurchaser

1. Name	Enel Green Power S.p.A.
2. Location	Rome, Lazio Region, Italy
3. Name and Title of Representative	Francesco Venturini, CEO and General Manager of the Company
4. Business	Renewable Energy Power Business
5. Capital	€1,000 million (approximately 141.6 billion yen)
6. Consolidated Net Assets	€8,487 million (approximately 1 trillion 201.8 billion yen)
7. Consolidated Total Assets	€17,259 million (approximately 2 trillion 444 billion yen)
8. Date of Establishment	December 1, 2008

Note: For 5 to 7 above, the amounts are as of March 31, 2014 (present). The yen equivalent is calculated using an exchange rate of €1=141.61 yen.

(Reference) 3Sun

1. Name	3Sun S.r.l.
2. Location	Catania, Sicily Region, Italy
3. Name and Title of Representative	Guido Stratta, Managing Director
4. Business	Production of Thin-Film Solar Cells
5. Capital	€35 million (approximately 4.9 billion yen)
6. Consolidated Net Assets	€28 million (approximately 3.9 billion yen)
7. Consolidated Total Assets	€250 million (approximately 35.3 billion yen)
8. Date of Establishment	July 30, 2010

Note: For 5 to 7 above, the amounts are as of March 31, 2014 (present). The yen equivalent is calculated using an exchange rate of €1=141.61 yen.

2 Schedule

July 11, 2014: Execution of agreement with EGP under which EGP undertakes to repurchase all the volume that Sharp is supposed to purchase

July 15, 2014: EGP commences to repurchase all the volume that Sharp is supposed to purchase of thin-film solar cells to be produced by 3Sun

3. Effect of execution of the agreement on Sharp’s profit and loss

Sharp will treat this transaction as a subsequent event for adjustment after the last day of the first quarter of

the fiscal year ending March 31, 2015, and record 14,382 million yen on a consolidated basis and 14,517 million yen on a non-consolidated basis as extraordinary items in Other Expenses in the first quarter of the fiscal year ending March 31, 2015.

* The above amount on a consolidated basis is rounded off to the nearest million yen, and the above amount on a non-consolidated basis is rounded down to the nearest million yen.

4. Future prospect

Sharp does not plan at this stage to revise the consolidated financial result forecasts for the second quarter of the year ending March 31, 2015 and the full year ending March 31, 2015 that are released on May 12, 2014 since extraordinary profits from the sale of fixed assets etc., for the purpose of improving the efficiency of assets, as well as the effect of improving profitability due to the implementation of this transaction are expected in and after the second quarter of the year ending March 31, 2015.

In addition, Sharp will make a timely announcement if and when the consolidated financial result forecasts must be revised.

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