Notice of Tax Imposition Pursuant to Transfer Pricing Taxation

Sharp Corporation ("the Company") announces that its consolidated subsidiary, Nanjing Sharp Electronics Co., Ltd., is expected to receive a notification of correction pursuant to transfer pricing taxation from the taxation bureau in China. The corrected income is 60,149 million yen, and an additional tax including interest is calculated to be 10,118 million yen.

The Company believes that prices in transactions with its consolidated subsidiaries' are fairly valued, and that the proper amount of tax has been paid in accordance with the taxation system of each country. The Company is considering filing a request for mutual discussion under the provision of the Japan-China tax treaty to eliminate double taxation.

A partial allowance for additional tax had already been recorded in the previous fiscal year. A remaining allowance was recorded for additional tax of 3,564 million yen as income taxes for prior periods and interest of 1,281 million yen as other expenses in the nine months ended December 31, 2014, thereby all allowances for calculated tax amount were made.