

December 22, 2015

Company name:	Sharp Corporation
Name of representative:	Kozo Takahashi Director & President (Code: 6753)

Notice of Execution of Memorandum of Understanding Regarding Transfer of Consolidated Subsidiary Company (Share Transfer)

Sharp Corporation (“Sharp”) hereby announces that Sharp resolved at its board of directors’ meeting held on December 22, 2015, and executed a memorandum of understanding (the “MOU”) for, the transfer (the “Share Transfer”) of all the shares of Sharp Niigata Electronics Corporation (“Sharp Niigata Electronics”), a consolidated subsidiary of Sharp, to Mr. Jun Okazaki, Director & President of Sharp Niigata Electronics, other management members and employees (“Sharp Niigata Electronics Management Members, etc.”) and Sharp Niigata Electronics, as described below.

Hereafter, a share transfer agreement is expected to be executed around February 2016, after discussion of the transfer conditions by the parties.

1. Reason for the Share Transfer

In April, 1970, Sharp incorporated, by joint investment, Sharp Riken Corporation as a manufacturing base of electronic calculators, acquired complete control of it in 1976, and changed its company name to Sharp Niigata Electronics in 1981. Thereafter, Sharp Niigata Electronics manufactured electronic calculators, word processors, mobile devices, electronic registers, notebook computers, and others, and since 2006, it has been in solar-related businesses. Currently, Sharp Niigata Electronics mainly manufactures power conditioners for solar power generation, power sources for illumination, LED lighting and the like.

Sharp Niigata Electronics Management Members, etc. recently proposed to Sharp the acquisition of 100% of the shares of Sharp Niigata Electronics owned by Sharp, by the Sharp Niigata Electronics Management Members, etc. and Sharp Niigata Electronics as treasury shares. Sharp decided to accept that proposal and to execute the MOU on the share transfer, on the grounds that the proposal is expected to improve the degree of flexibility of management of Sharp Niigata Electronics and to contribute to improvement in the corporate value of Sharp Niigata Electronics; and it contributes to the strengthening of the financial condition of Sharp in terms of cash flow incident to the Share Transfer.

[Translation]

2. Overview of the Share Transfer

(1) Overview of Sharp Niigata Electronics

1. Name	Sharp Niigata Electronics Corporation		
2. Address	1310 Kamihachimai, Minami-ku, Niigata-city, Niigata		
3. Name and title of representative	Jun Okazaki, Director & President		
4. Description of business	The manufacturing and sale of power conditioners for solar power generation, power sources for illumination and LED lighting		
5. Stated capital	JPY 224 million		
6. Date of incorporation	April 8, 1970		
7. Major shareholders and their shareholding ratios	Sharp 100%		
8. Relationship between the listed company and this company			
Capital relationship	Sharp owns 100% of the total number of outstanding shares of this company.		
Personnel relationship	Two employees of Sharp concurrently serve as directors of this company, and one employee serves as its corporate auditor.		
Transactional relationship	There is a trade volume of about JPY 5.2 billion in the 2014 financial year between Sharp and this company.		
9. Operating results and financial conditions for the last 3 years			
Fiscal year-end	March 2013	March 2014	March 2015
Net assets	1,187	826	787
Total assets	3,876	5,428	4,220
Net assets per share (yen)	2,647	1,843	1,756
Sales	5,233	7,164	7,744
Operating income	(836)	(206)	112
Ordinary income	(833)	(218)	57
Current net income	(1,061)	(327)	(33)
Current net income per share (yen)	(2,366)	(730)	(74)
Dividend per share (yen)	149	74.5	-

(Unit: million yen unless otherwise specified)

(2) Overview of the other parties to the share transfer

(a) Sharp Niigata Electronics Management Members, etc.

1. Name	Jun Okazaki
2. Address	Shikishima-cho, Nara-city, Nara
3. Relationship between the listed company and this person	This person is an employee of Sharp and a director & president of Sharp Niigata Electronics. There is no capital and transactional relationship that should be specially mentioned with this person.

[Translation]

1. Name	Mamoru Hayakawa
2. Address	Akiba-ku, Niigata-city, Niigata
3. Relationship between the listed company and this person	This person is a director of Sharp Niigata Electronics. There is no capital and transactional relationship that should be specially mentioned with this person.

In addition to the two management members above, Sharp will transfer the shares of Sharp Niigata Electronics to five of its employees. The names of these employees are withheld from disclosure because their transfer ratios are smaller than the ones of two management members above (please see 3. below).

(b) Sharp Niigata Electronics

Please see (1) above.

3. Number of shares to be transferred, purchase price, and number of shares held before and after the transfer

1. Number of shares held before transfer	448,470 shares (ownership ratio: 100%)
2. Number of shares to be transferred	448,470 shares (expected) (purchase price: un-determined)
3. Number of shares held after transfer	0 shares (ownership ratio: 0%) (expected)

The transfer ratios are 84.7% to Sharp Niigata Electronics, 4.6% to Jun Okazaki, 3.1% to Mamoru Hayakawa and 7.6% to five employees of Sharp Niigata Electronics (1.5% to each). The transfer ratios are rounded off to the first decimal place.

4. Schedule

1. Date of the board resolution	December 22, 2015
2. Execution of share transfer agreement	The end of February, 2016 (expected)
3. Completion date of share transfer	March, 2016 (expected)

5. Future outlook

The impact of this share transfer on the consolidated earnings of the fiscal year ending March 2016 is under examination at this time, so Sharp will announce it at the time of the execution of share transfer agreement expected on the end of February 2016.