

[Translation]

May 12, 2016

To Whom It May Concern

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

**Notice regarding the Recording of Loss on Valuation of Inventories due to Changes in
Accounting Estimates**

Sharp Corporation (“the Company”) has announced the recording of the following accounting transaction to its consolidated and non-consolidated financial statements for the fourth quarter of the fiscal year ended March 2016.

Historically, Sharp Corporation writes down the book value of inventory on its balance sheet for Display Devices and Electronic Components and Devices when a certain period of time has passed after the acquisition of the inventory. As a rule, this write-down is performed on a regular basis using a uniform rate. However, considering rapidly declining prices, the slow movement of inventory, and other factors, the Company has decided to reduce the length of time and increase the uniform rate used to write down the book value of inventory. This change will more properly reflect the decline in inventory profitability in the company's financial condition and operating results.

As a result, the Company has recorded an additional 47,068 million yen to cost of sales for a loss on valuation of inventories.

Sharp Corporation has reflected the earnings impact of this accounting transaction in *Consolidated Financial Results for the Year Ended March 31, 2016 [Japanese Accounting Standards]* published today.