

August 12, 2016

[Translation]

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

**Notice regarding the completion of the payment for, and the issuance of, the new shares through third-party allotments, regarding changes of parent company, the largest shareholder who is a major shareholder, and major shareholders, and regarding the decreases in the amounts of capital and capital reserve**

Regarding the issuance of common shares and Class C Shares (the “New Shares,” and such issuance being hereinafter referred to as the “Capital Increase Through Third-Party Allotment”) which Sharp Corporation (“Sharp”) had announced in the “(Update of and Partial Amendment to the Previous Disclosure) Notice regarding the issuance of new shares through third-party allotments, and change of parent company, the largest shareholder who is a major shareholder, and major shareholders,” dated March 30, 2016 (the “Press Release dated March 30, 2016”), today, the payment procedures were completed, and the New Shares were issued. Furthermore, in line with that, the changes of parent company, the largest shareholder who is a major shareholder, and major shareholders which Sharp had announced in the “Notice regarding the issuance of new shares through third-party allotments, and change of parent company, the largest shareholder who is a major shareholder, and major shareholders,” dated February 25, 2016 (the “Press Release dated February 25, 2016”) and in the Press Release dated March 30, 2016 were made; therefore, Sharp hereby announces as follows.

Furthermore, as the New Shares had been issued and the payment procedures had been completed, Sharp also announces that the decreases in the amounts of capital and capital reserve (the “Decreases in Capital, etc.”) which Sharp had announced in the “Notice regarding decreases in the amounts of capital and capital reserve and the buyback of all Class B Shares,” dated May 12, 2016 (the “Press Release dated May 12, 2016”) and in the “Notice regarding the voting results of the general meeting of shareholders on the issuance of new shares through third-party allotments and the partial amendments to the articles of incorporation and regarding the effective date of the decreases in the amounts of capital and capital reserve,” dated June 23, 2016 have become effective today.

I. Issuance of the New Shares

1. Overview of the issuance of common shares by third-party allotment

(i) Payment date	August 12, 2016 (Fri)
(ii) Number of new shares issued	3,281,950,697 shares
(iii) Issued price	88 yen per share
(iv) Amount of procurement fund	288,811,661,336 yen
(v) Capital and capital reserve increased	Capital 144,405,830,668 yen Capital reserve 144,405,830,668 yen
(vi) Offering or allotment	Allotted by means of third-party allotment:

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method (allottees)	To Hon Hai Precision Industry Co., Ltd.	1,300,000,000 shares
	To Foxconn (Far East) Limited	915,550,697 shares
	To Foxconn Technology Pte. Ltd.	646,400,000 shares
	To SIO International Holdings Limited	420,000,000 shares

2. Overview of the issuance of Class C Shares by third-party allotment

(i) Payment date	August 12, 2016 (Fri)
(ii) Number of new shares issued	11,363,636 shares
(iii) Issued price	8,800 yen per share
(iv) Amount of procurement fund	99,999,996,800 yen
(v) Capital and capital reserve increased	Capital 49,999,998,400 yen Capital reserve 49,999,998,400 yen
(vi) Offering or allotment method (allottees)	Allotted by means of third-party allotment: To Hon Hai Precision Industry Co., Ltd. 11,363,636 shares

3. Changes in the total number of issued shares and the amounts of capital through third-party allotments

	Total number of issued common shares	Total number of issued Class A Shares	Total number of issued Class B Shares	Total number of issued Class C Shares	Amount of capital (Note)
Before the issuance	1,701,214,887 shares	200,000 shares	25,000 shares	0 shares	500,000,000 yen
After the issuance	4,983,165,584 shares	200,000 shares	25,000 shares	11,363,636 shares	194,905,829,068 yen

(Note) As stated in III. “Decreases in Capital, etc.” below, the decrease in the amount of capital has become effective; however, for the above-stated amount of capital after the issuance, the amount before such decrease in the amount of capital has become effective is stated.

4. Impacts on the consolidated financial results

As Sharp had announced in the “Consolidated Financial Results for the First Quarter Ended June 30, 2016,” Sharp’s consolidated equity as of June 30, 2016 had fallen into liabilities in excess of assets of approximately 85,371 million yen; today, however, as Sharp issued the New Shares, and the payment procedures were completed, the status of the liabilities in excess of assets has been cleared.

II. Changes of the parent company, the largest shareholder who is a major shareholder, and the major shareholders

1. Background of changes

Due to today’s issuance of the New Shares through third-party allotment, of which the allottee is Hon Hai Precision Industry Co., Ltd. (“Hon Hai Precision Industry”), as Hon Hai Precision Industry has come to directly hold 26.17% of Sharp’s voting rights, together with 18.43% of the voting rights which Foxconn (Far East) Limited (“Foxconn FE”), a wholly-owned subsidiary of Hon Hai Precision Industry, holds, it has come to directly or indirectly hold 44.60% of the voting rights.

Furthermore, because Foxconn Technology Pte. Ltd. (“Foxconn Technology”) is a company in which Hon Hai Precision Industry holds twenty-hundredths of the voting rights, and because SIO International Holdings Limited (“SIO”) is a company substantially controlled by Mr. Terry Gou, the Chairman of Hon Hai Precision Industry, both companies fall under persons who are found to exercise their voting rights in

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the same manner as Hon Hai Precision Industry, due to a close relationship with Hon Hai Precision Industry.

The voting rights of both of the aforementioned companies, and the voting rights that Hon Hai Precision Industry directly or indirectly holds, total 66.07%, and thus, Hon Hai Precision Industry has newly become Sharp's parent company. The judgment that Hon Hai Precision Industry is Sharp's parent company is based on the facts that Sharp recognizes, according to Japanese law, regulations, and accounting standards. Such judgment that Hon Hai Precision Industry is Sharp's parent company is not made based on laws, regulations, or accounting standards other than those of Japan.

Furthermore, because Hon Hai Precision Industry has come to hold 26.17% of Sharp's voting rights by the Capital Increase Through Third-Party Allotment, it has newly become Sharp's largest shareholder, which is a major shareholder. Furthermore, Foxconn FE and Foxconn Technology have newly become Sharp's major shareholders.

For the outlines of Hon Hai Precision Industry, Foxconn FE, Foxconn Technology, and SIO, please refer to the Press Release dated February 25, 2016.

2. Number of voting rights held by such shareholder, and the ratio of the number of voting rights held by such shareholder to all shareholders before and after the change

(1) Hon Hai Precision Industry

	Category	Number of voting rights (ratio of voting rights held)			Major shareholder ranking
		Directly held	Aggregate	Total	
Before change (as of March 31, 2016)	—	—	—	—	—
After change	Parent company and largest shareholder who is a major shareholder	1,300,000 (26.17%)	915,550 (18.43%)	2,215,550 (44.60%)	No. 1

(2) Foxconn FE

	Category	Number of voting rights (ratio of voting rights held)			Major shareholder ranking
		Directly held	Aggregate	Total	
Before change (as of March 31, 2016)	—	—	—	—	—
After change	Major shareholder	915,550 (18.43%)	0 (0%)	915,550 (18.43%)	No. 2

(3) Foxconn Technology

	Category	Number of voting rights (ratio of voting rights held)			Major shareholder ranking
		Directly held	Aggregate	Total	
Before change (as of March 31, 2016)	—	—	—	—	—
After change	Major shareholder	646,400 (13.01%)	0 (0%)	646,400 (13.01%)	No. 3

(Note 1) The ratio of the number of voting rights held to all shareholders after the change is calculated by setting the number of voting rights of all shareholders (4,967,056 voting

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rights) that is the number of voting rights of all shareholders (1,685,106 voting rights) calculated by deducting the number of shares without voting rights (16,333,887 shares) from the total number of issued shares (1,701,439,887 shares) as of March 31, 2016 plus 3,281,950 voting rights that are to be increased in association with the Capital Increase Through Third-Party Allotment as the denominator.

(Note 2) The ratio of the number of voting rights held to all shareholders after the change is rounded to the second decimal place.

3. Change date

August 12, 2016

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III. Decreases in Capital, etc.

As stated in I. "Issuance of the New Shares" above, after the payment procedures were completed today for the issuance of the New Shares, Sharp's capital and capital reserve each increased by 194,405,829,068 yen (144,405,830,668 yen with respect to common shares and 49,999,998,400 yen with respect to Class C Shares). However, as announced in the Press Release dated May 12, 2016, for the purpose of buying back Class B Shares and reducing the burden of the class shares' preferred dividends and the buyback premium to be paid by Sharp when Sharp exercises the call option, and of adequately securing the mobility and flexibility of the capital policy, Sharp has conducted the Decreases in Capital, etc. and transferred the decreased amount to other capital surplus, which constitutes the distributable amount.

(1) Decrease in the amount of capital and increase in the amount of other capital surplus

Based on the provisions of Article 447, paragraphs 1 and 3 of the Companies Act, Sharp reduced the capital by 189,905,829,068 yen, and transferred that total amount to other capital surplus.

Following the above, the capital is now 5,000,000,000 yen.

(2) Decrease in the amount of capital reserve and increase in the amount of other capital surplus

Based on the provisions of Article 448, paragraphs 1 and 3 of the Companies Act, Sharp reduced the capital reserve by 193,280,829,068 yen, and transferred that total amount to other capital surplus.

Following the above, the capital reserve is now 1,250,000,000 yen.

(3) Effective date of the above

August 12, 2016

End

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