

April 24, 2017

[Translation]

Company Name: Sharp Corporation
Representative: J.W. Tai
President & Chief Executive Officer
(Code No. 6753)

Notice Regarding Sharp Making S&O Electronics (Malaysia) Sdn. Bhd. Sharp's Subsidiary

Sharp Corporation ("Sharp") announces that it has determined to make S&O Electronics (Malaysia) Sdn. Bhd. ("SOEM") Sharp's subsidiary.

* Conversion rate used in this document: 1RM (Malaysia Ringgit) = 25 yen

1. Reasons for making SOEM Sharp's subsidiary

Under the new management system established in August 2016, Sharp upheld its "One SHARP" policy, which aims to heighten collaboration among all its businesses and its overall strength, and to meet the expectations of various stakeholders through its business expansion. Sharp established a new corporate motto, "Be Original", meaning that it provides each customer with products and services overflowing with Sharp's originality, encompassing its starting point and founding spirit of "Sincerity and Creativity". In addition, Sharp carried out a structural reform with the aim of quickly achieving profitability.

Sharp has been performing various reviews from a long term perspective, in order to strengthen its competitiveness and to shift to a stable growth trajectory. Under these circumstances, Sharp decided to make SOEM, which is the joint venture with ONKYO & Pioneer Corporation ("OPC"), TERENGGANU INCORPORATED SDN. BHD. (a local corporation; "Terengganu Fund") and an individual, Sharp's subsidiary. While SOEM has been manufacturing and selling audio visual devices including AV receivers for home theaters, in order for it to expand its business further by mainly developing audio visual devices linked to Sharp's AQUOS LCD television, Sharp decided to make SOEM Sharp's subsidiary by accepting the transfer of the shares that are currently held by an individual and increasing its investment ratio, as well as by dispatching Sharp's employees to assume the majority of SOEM's officer positions.

There is no change in the investment ratio of OPC and Terengganu Fund, and they will continue to make efforts for the development of the audio visual business as a joint venture.

2. Outline of the subsidiary to be changed

(i) Name	S&O Electronics (Malaysia) Sdn. Bhd.
(ii) Location	Lot 202, Bakar Arang Industrial Estate, 08000 Sungai Petani, Kedah, Malaysia
(iii) Title and Name of Representative	Managing Director Hisashi Okayama
(iv) Details of Business	Manufacture and sale of audio visual products and other products
(v) Capital	24 million RM (600 million yen)
(vi) Date of Establishment	December 1, 2008
(vii) Major Shareholders and	Sharp: 39.97% OPC: 39.97%

	Shareholding Percentage	Terengganu Fund: 20.0% Individual: 0.06%		
(viii)	Relationship Between the Listed Company and the Relevant Company			
	Capital Relationship	Sharp holds 39.97% of the shares of the relevant company.		
	Personnel Relationship	Sharp dispatches four (4) officers to the relevant company.		
	Transaction Relationship	Sharp purchases audio visual products from the relevant company.		
(ix)	Results of Operations and Financial Conditions of the Relevant Company for Previous Three Fiscal Years			
	Fiscal Year Ended	Fiscal year ended March, 2014	Fiscal year ended March, 2015	Fiscal year ended March, 2016
	Net Assets	97,772,000 RM	95,736,000 RM	94,346,000 RM
	Total Assets	279,593,000 RM	266,860,000 RM	265,768,000 RM
	Net Assets per Share	4.07 RM	3.99 RM	3.93 RM
	Proceeds of Sale	579,275,000 RM	543,670,000 RM	546,472,000 RM
	Operating Income or Operating Loss (-)	4,821,000 RM	- 354,000 RM	2,176,000 RM
	Ordinary Income	5,250,000 RM	168,000 RM	886,000 RM
	Net Income Attributable to Owners of Parent	2,009,000 RM	62,000 RM	403,000 RM
	Net Income per Share	0.21 RM	0.01 RM	0.04 RM
	Dividend per Share	0.10 RM	0.10 RM	0.10 RM

3. Outline of the other party to the share acquisition

(i)	Name	THE ESTATE OF DATIN ROQUAIYA HANIM BINTI HUSSEIN
(ii)	Address	Georgetown, Pulau Pinang, Malaysia
(iii)	Relationship between the Listed Company and the Individual	There is no relationship that needs to be stated between Sharp and the relevant individual

* The other party is an estate, and Sharp entered into the agreement after consultation with the administrator thereof. There is no relationship that needs to be stated between Sharp and the administrator except that the administrator was the director of SOEM.

4. Number of acquired shares, acquisition price, and number of shares held and the status of the percentage of voting rights before and after the acquisition

- (1) Number of shares held prior to the acquisition
9,593,475 shares (percentage of voting rights: 39.97%)
- (2) Number of shares to be acquired and the acquisition price
13,050 shares (46,883.43 RM. 1,172,000 yen)
- (3) Number of shares to be held after the acquisition
9,606,525 shares (percentage of voting rights: 40.03%)

5. Schedule

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| (1) | Date of decision of making SOEM Sharp's subsidiary | April 24, 2017 |
| (2) | Date of payment and share transfer | April 25, 2017 (to be fixed) |

6. Future outlook

The impact of this transaction on Sharp's results will be minor.

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