

Company Name Sharp Corporation
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Continuation of Measures to Reinforce Business Foundations

Sharp Corporation announces that it has decided at the board of directors meeting held on May 30, 2013, to continue measures to reinforce business foundations with the reduction of labor costs, as below. Subjects that require labor union discussion have been informed to the labor union on the same day.

1. Reasons to continue measures to reinforce business foundations

As announced in September 11, 2012 “About Conducting Measures to Reinforce Business Foundations,” Sharp group is currently in the process of recovering its business performance. As part of its measures to reduce labor costs, the reduction in salary of managerial staff and rank-and-file (union members) employees and the review of bonuses has been conducted. While business circumstances surrounding the Sharp group are still harsh, the improvement of financial strengths for “Recovery and Growth” needs to be secured, and therefore continuation of measures has been deemed necessary. Based on this decision, the following measures will be implemented:

2. Details of the continuation of business reinforcement measures

(1) Measures against managerial staff

a. Reduction in salary

A 10% salary cut implemented from October 2012 to September 2013 will continue with “a 5% cut”.

Implementation period: from October 2013 to March 2014

Note: A 5% reduction of salary was implemented from April to September 2012.

b. Review of bonuses

The December 2013 bonuses will be halved compared to the June 2012 bonuses which were reduced by approx. 30% compared to the previous year.

(The same measure took place with the December 2012 and the June 2013 bonuses.)

c. Others

Several allowances and welfare programs for union member employees are currently applied to managerial staff as well. Changes in these items that are subject to measures

informed to the labor union this time will be applied to managerial staff accordingly, once discussions with the labor union are settled.

Implementation period: from October 2013 to March 2014

(2) Measures against rank-and-file (union members) employees (informed contents to labor union)

Regarding the salary and bonuses of rank-and-file employees, the labor union was informed today regarding its continuation in accordance with measures for managerial staff, as well as the termination and reduction of allowances and welfare benefits. These measures will be implemented once discussions with the labor union are settled.

<Main informed items>

a. Reduction in salary

A 7% salary cut implemented from October 2012 to September 2013 will continue with "a 2% cut".

Implementation period: from October 2013 to March 2014

Note: A 2% reduction of salary was implemented from May to September 2012.

b. Review of bonuses

The December 2013 bonuses will be halved compared to the June 2012 bonuses which were calculated based on coordination with business result.

(The same measure took place with the December 2012 and the June 2013 bonuses.)

c. Others

Other measures include cutting back premium rates of overtime allowances and the like, to the minimum legal standards, the reduction of allowances for business trips, and the termination of welfare benefits.

Implementation period: from October 2013 to March 2014

3. Forecasts

The measures mentioned above are estimated to reduce fixed costs by approx. 10 billion yen for the year ending March 2014 (assuming the conditions to be discussed with the labor union will be accepted as informed).

The impact on business arising from the above measures is already recorded as the forecast for the consolidated financial results for the year ending March 2014.

End