

August 26, 2016

[Translation]

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

**Notice Regarding the Dissolution of Business Alliance with Roxy Electric Company, Limited and Acquisition of Shares of Sharp-Roxy (Hong Kong) Limited (to Make It Sharp's Subsidiary)**

Sharp Corporation ("Sharp") hereby announces that, at the Board of Directors meeting held today, Sharp resolved that it would terminate a joint venture agreement with Roxy Electric Company, Limited ("Roxy") and that it would acquire shares of Sharp-Roxy (Hong Kong) Limited ("SRH"), which is a joint venture, held by Roxy, and thereby make SRH Sharp's subsidiary.

1. Reason for the dissolution of alliance and the acquisition of shares

In 1987, in order to enter the home electrical appliance business market in Hong Kong and Macao (the "Market"), Sharp concluded a joint venture agreement with Roxy, which had been a local agent of Sharp in Hong Kong, and established SRH as a joint venture. Since then, Sharp has developed its home electrical appliance and device business.

However, recently, the Market environment has been changing due partly to intensifying price competition for products, mainly liquid crystal television prices, and the emergence of new competitive companies. In those circumstances, Sharp has been examining various issues, including the form that the joint venture should be, thinking that it is essential to take measures to ensure continued profits from the home electrical appliance business and to expand the device business in order to further expand our profits in the Market in the future. Finally, both Sharp and Roxy concluded that it is difficult to deal with the present market environment while maintaining the present joint venture. Therefore, in light of the fact that the initial purpose of the alliance, to enter the Market, has been achieved, Sharp decided to terminate the joint venture agreement with Roxy and to make SRH Sharp's subsidiary by acquiring the SRH shares held by Roxy.

In the future, Sharp will make an effort to deal with the market environment by concluding a distributorship agreement with S.A.S. Dragon Holdings Ltd. group (S.A.S. Dragon Holdings Ltd. is listed on the Stock Exchange of Hong Kong), which is a major electronic equipment sales company in Hong Kong, and thereby expand profits in the Market.

With the launch of the new setup, Sharp aims to make Sharp a brilliant global brand. As part of our efforts to achieve the goal, Sharp will continue to proactively take measures to boost Sharp's brand value in the Market.

2. Details of the business alliance, etc.

(1) Details of the business alliance

The exclusive business of selling Sharp's finished home electrical appliance products and devices in the Hong Kong and Macanese markets

## (2) Outline of the joint venture and subsidiary to be changed

(i)	Name	Sharp-Roxy (Hong Kong) Limited		
(ii)	Location	Level 26, Tower 1, Kowloon Commerce Centre, No. 51 Kwai Cheong Road, Kwai Chung, New Territories, Hong Kong.		
(iii)	Name and Title of Representative	Tetsuro Kazui, President		
(iv)	Details of Business	Sales of home electronic appliances, information products, and electronic parts/liquid crystal/LSI		
(v)	Capital	60,000 thousand Hong Kong dollars (778 million yen. Calculated on the exchange rate of 1 HK dollar = 12.96 yen (as of August 25, 2016).)		
(vi)	Date of Establishment	August 1, 1987		
(vii)	Fiscal Year End	March 31		
(viii)	Investment Ratio	Sharp: 50%, Roxy: 50%		
(ix)	Relationship between the Listed Company and the Relevant Company			
	Capital Relationship	Sharp holds 50% of the relevant company's shares. Further, there is a wholly-owned subsidiary of SRH, Sharp Device (Shenzhen) Co., Ltd. ("SDSZ").		
	Personnel Relationship	Sharp has dispatched two directors to the relevant company and two directors to SDSZ, respectively.		
	Transaction Relationship	The relevant company purchases Sharp products from Sharp.		
	Status as a Related Party	Sharp is a major shareholder of the relevant company. Therefore, the relevant company falls under the category of a related party of Sharp.  No related person or related company of the relevant company, except for SDSZ, falls under the category of a related party of Sharp.		
(x)	Consolidated Results of Operations and Consolidated Financial Conditions of the Relevant Company for Previous Three Fiscal Years			
	Fiscal Year Ended	March 2014	March 2015	March 2016
	Consolidated Net Assets	268,358 thousand Hong Kong dollars (3,561 million yen)	250,360 thousand Hong Kong dollars (3,883 million yen)	255,523 thousand Hong Kong dollars (3,713 million yen)
	Consolidated Total Assets	808,803 thousand Hong Kong dollars (10,733 million yen)	700,362 thousand Hong Kong dollars (10,863 million yen)	644,477 thousand Hong Kong dollars (9,364 million yen)
	Consolidated Net Assets per Share	-	-	-
	Consolidated Proceeds of Sale	3,248,169 thousand Hong Kong dollars (43,103 million yen)	2,774,171 thousand Hong Kong dollars (43,027 million yen)	2,413,880 thousand Hong Kong dollars (35,074 million yen)
	Consolidated Operating Income	60,008 thousand Hong Kong dollars (796 million yen)	10,606 thousand Hong Kong dollars (164 million yen)	10,995 thousand Hong Kong dollars (160 million yen)
	Consolidated Ordinary	-	-	-

Income			
Net Income Attributable to Owners of Parent	51,609 thousand Hong Kong dollars (685 million yen)	9,002 thousand Hong Kong dollars (40 million yen)	14,240 thousand Hong Kong dollars (207 million yen)

The results stated above were calculated on the exchange rate of 1 Hong Kong dollar = 13.27 yen for the Fiscal Year Ended March 2014 (as of March 31, 2014); 1 Hong Kong dollar = 15.51 yen for the Fiscal Year Ended March 2015 (as of March 31, 2015); and 1 Hong Kong dollar = 14.53 yen for the Fiscal Year Ended March 2016 (as of March 31, 2016).

3. Outline of the other party of the business alliance and acquisition of shares

(i)	Name	Roxy Electric Company, Limited
(ii)	Location	Room 2802-2803 Lippo Centre, Tower I, 89 Queensway, Hong Kong
(iii)	Name and Title of Representative	Li Dak Sum, Chairman
(iv)	Details of Business	Holding company
(v)	Capital	64,940 thousand Hong Kong dollars (842 million yen. Calculated on the exchange rate of 1 Hong Kong dollar = 12.96 yen (as of August 25, 2016).)
(vi)	Date of Establishment	March 23, 1962
(vii)	Large Shareholder and Shareholding Ratio	- (*)
(viii)	Relationship between the Listed Company and the Relevant Company	
	Capital Relationship	<p>There is no capital relationship that needs to be stated between Sharp and the relevant company.</p> <p>There is a capital relationship between Sharp and the following affiliates of the relevant company:</p> <ul style="list-style-type: none"> <li>- SRH (Sharp's investment rate: 50%)</li> <li>- SDSZ (SRH's wholly-owned subsidiary)</li> <li>- Sharp-Roxy Sales (Singapore) Pte., Ltd. ("SRS") (Sharp's investment rate: 70%)</li> <li>- Sharp-Roxy Appliances Corporation (M) Sdn. Bhd. ("SRAC") (Sharp's investment rate: 50%)</li> <li>- Sharp-Roxy Sales &amp; Service Company Sdn. Bhd. ("SRSSC") (SRAC's wholly-owned subsidiary)</li> </ul> <p>Other than the above, there is no noteworthy capital relationship between a related person or a related company of Sharp and those of the relevant company.</p>
	Personnel Relationship	<p>There is no personnel relationship that needs to be stated between Sharp and the relevant company.</p> <p>Sharp has dispatched directors to the following affiliates of the relevant company:</p> <ul style="list-style-type: none"> <li>- SRH and SDSZ: 2 directors each</li> <li>- SRS: 4 directors; SRAC and SRSSC: 3 directors each</li> </ul> <p>Other than the above, there is no noteworthy personnel relationship between a related person or a related company of Sharp and those of the relevant company.</p>
	Transaction Relationship	<p>There is no transaction relationship that needs to be stated between Sharp and the relevant company.</p> <p>There are transaction relationships, such as selling and purchasing Sharp</p>

		products, between Sharp and the relevant company's affiliates, SRH and SDSZ, SRS, SRAC and SRSSC, respectively. Other than the above, there is no noteworthy transaction relationship between a related person or a related company of Sharp and those of the relevant company.		
	Status as a Related Party	The relevant company does not fall under the category of a related party of Sharp. The relevant company's related persons or related companies, SRH and SDSZ, SRS, SRAC and SRSSC fall under the category of a related party of Sharp. Other than the above, no related person or related company of the relevant company falls under the category of a related party of Sharp.		
(ix)	Consolidated Results of Operations and Consolidated Financial Conditions of the Relevant Company for Previous Three Fiscal Years (*)			
	Fiscal Year Ended	-	-	-
	Consolidated Net Assets	-	-	-
	Consolidated Total Assets	-	-	-
	Consolidated Net Assets per Share	-	-	-
	Consolidated Proceeds of Sale	-	-	-
	Consolidated Operating Income	-	-	-
	Consolidated Ordinary Income	-	-	-
	Net Income Attributable to Owners of Parent	-	-	-
	Consolidated Net Income per Share	-	-	-
	Dividend per Share	-	-	-

(\*) Unknown because the relevant company is an unlisted company and has not disclosed the data.

4. Number of acquired shares, acquisition value, and the status of shares held before and after the acquisition

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| (1) Number of shares held before the change: | 30,000,000 shares (holding rate: 50%)  |
| (2) Number of shares acquired:               | 30,000,000 shares  |
| (3) Acquisition value:                       | 55,061 thousand Hong Kong dollars<br>(714 million yen: Calculated on the exchange rate of 1 Hong Kong dollar = 12.96 yen (as of August 25, 2016).) |
| (4) Number of shares held after the change:  | 60,000,000 shares (holding rate: 100%)   |

5. Schedule

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|---|----------------------------------|
| (1) Date of resolution by the Board of Directors:                           | August 26, 2016                  |
| (2) Date of conclusion of the agreement:                                    | August 26, 2016                  |
| (3) Date of dissolution of the business alliance and acquisition of shares: | September 23, 2016 (to be fixed) |

6. Future Outlook

The contemplated transactions' effects on the consolidated results for the fiscal year ending March 2017 will be minor.

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