

December 6, 2022

Company Name: Sharp Corporation
Representative Director: Po-Hsuan Wu
(Code No. 6753)

Notice of Changing Subsidiary's Indirectly Owned Subsidiary, Etc.

Today, Sharp Corporation (hereinafter "Sharp") announces that Sharp Display Technology Corporation (hereinafter "SDTC"), Sharp's subsidiary, acquired FIT ELECTRONICS DEVICE PTE. LTD. (hereinafter "FITED") shares, making FITED its subsidiary (indirectly owned subsidiary).

1. Reason for Acquisition

In car applications business, a large expansion in sensing camera market is expected with recent worldwide development in EV / automatic driving.

Under this circumstance, in order to correspond to such expansion in demands, SDTC decided to acquire shares of FITED who operates car appliance camera business, and make it a subsidiary of SDTC (indirectly owned subsidiary of Sharp).

With this action, Sharp will lead the business of the subject company, while aiming to expand its car appliance business by cross selling etc. of SDTC car appliance displays.

2. Outline of Transferred Subsidiary

(1) FIT ELECTRONICS DEVICE PTE. LTD.

1.	Name	FIT ELECTRONICS DEVICE PTE. LTD.
2.	Location	112 ROBINSON SINGAPORE
3.	Job title and name of representative	Representative Director Kazuhiro Moritani
4.	Business description	Holding Company
5.	Capitalization	USD 28,269,410 (3,877 million yen, converted 1USD = 137.13 JPY. As of December1, 2022)
6.	Date established	December 6, 2017
7.	Account closing date	December 31
8.	Major shareholder and shareholding ratio	Foxconn Interconnect Technology Singapore Pte. Ltd. 50.0% Foxconn OE Technologies Singapore Pte. Ltd. 1.0% Sharp Display Technology Corporation 49.0%
9.	Relationship between the listed company and the company in question	
	Capital relationship	Sharp holds 49% of the common shares through its subsidiary SDTC. HON HAI PRECISION INDUSTRY CO., LTD., Sharp's parent company, owns 72.61% shares of Foxconn Interconnect

		Technology Singapore Pte. Ltd. and Foxconn OE Technologies Singapore Pte. Ltd. who hold 51% shares		
	Personnel relationship	Sharp dispatches one board member from each of its subsidiary, Sharp (Taiwan) Electronics Corporation and Sharp Singapore Electronics Corporation Pte. Ltd.		
	Business relationship	Sharp consigns production of car appliance camera modules through its subsidiary.		
10.	Consolidated operating results and consolidated financial condition of the company during the last three years			
	Fiscal year	Ended December 2019	Ended December 2020	Ended December 2021
	Net assets	22,997,010USD (3,153 million yen)	20,587,877USD (2,823 million yen)	18,176,312USD (2,493 million yen)
	Total assets	22,992,779USD (3,152 million yen)	20,591,392USD (2,823 million yen)	18,181,634USD (2,493 million yen)
	Net asset per share	0.81USD (112yen)	0.73USD (100yen)	0.64USD (88yen)
	Net sales	1,037USD (0.1million yen)	1,408USD (0.2million yen)	0USD (0million yen)
	Operating profit	-2,403,834USD (-330million yen)	-2,404,902USD (-330million yen)	-2,411,565USD (-331million yen)
	Ordinary profit	-2,403,834USD (-330million yen)	-2,404,902USD (-330million yen)	-2,411,565USD (-331million yen)
	Net profit attributable to owners of the parent	-1,225,955USD (-168million yen)	-1,226,500USD (-168million yen)	-1,229,898USD (-169million yen)
	Consolidated net income per share	-0.09USD (-12yen)	-0.09USD (-12yen)	-0.09USD (-12yen)
	Dividend per share	-	-	-

Note: Since FITED does not perform consolidated closing, the figures are non-consolidated financial results.

(2) SHARP FIT Automotive Technology (Wuxi) Co., Ltd.

1.	Name	SHARP FIT Automotive Technology (Wuxi) Co., Ltd. (腾夏汽车科技(无锡)有限公司)
2.	Location	无锡市新吴区岷山路 60#—C 地块 1#、2#、3#、4#标准厂房
3.	Job title and name of representative	Legal Representative Hiroyuki Tahori
4.	Business description	Development and manufacturing of camera modules and electronic mirrors for car appliance
5.	Capitalization	USD 10,000,000 (1,371 million yen, converted 1USD = 137.13 JPY. As of December1, 2022)
6.	Date established	June 11, 2018
7.	Account closing date	December 31

8.	Major shareholder and shareholding ratio	FIT ELECTRONICS DEVICE PTE. LTD.		100.0%
9.	Relationship between the listed company and the company in question			
	Capital relationship	Sharp holds 49% of the common shares through its subsidiary SDTC.		
	Personnel relationship	Sharp dispatches two board members, and one board member from SDTC and two board members from Wuxi Sharp Electronic Components Co., Ltd., both its subsidiary.		
	Business relationship	Sharp consigns production of car appliance camera modules through its subsidiary.		
10.	Consolidated operating results and consolidated financial condition of the company during the last three years			
	Fiscal year	Ended December 2019	Ended December 2020	Ended December 2021
	Net assets	54,292,419Yuan (1,059million yen)	38,377,154Yuan (748million yen)	22,042,882Yuan (430million yen)
	Total assets	85,046,763Yuan (1,658million yen)	51,117,882Yuan (997million yen)	46,420,485Yuan (905million yen)
	Net asset per share	-	-	-
	Net sales	201,402,596Yuan (3,927million yen)	103,989,183Yuan (2,028million yen)	61,269,778Yuan (1,195million yen)
	Operating profit	-5,369,311Yuan (-105million yen)	-16,141,713Yuan (-315million yen)	-16,334,196Yuan (-319million yen)
	Ordinary profit	-5,369,387Yuan (-105million yen)	-15,915,265Yuan (-310million yen)	-16,334,272Yuan (-319million yen)
	Net profit attributable to owners of the parent	-5,369,387Yuan (-105million yen)	-15,915,265Yuan (-310million yen)	-16,334,272Yuan (-319million yen)
	Consolidated net income per share	-	-	-
	Dividend per share	-	-	-

3. Outline of Other Parties of Share Acquisition

(1) Foxconn Interconnect Technology Singapore Pte. Ltd.

1.	Name	Foxconn Interconnect Technology Singapore Pte. Ltd.
2.	Location	54 GENTING LANE, #03-05, RUBY LAND COMPLEX, SINGAPORE 349562
3.	Job title and name of representative	Director, LEE, SHU-CHING
4.	Business description	SALES & DISTRIBUTION OF COMPUTER PERIPHERAL
5.	Capitalization	USD 1,126,509,441
6.	Date established	June 17, 2013
7.	Net assets	USD 1,091,548,468 (as of December 31, 2021)
8.	Total assets	USD 1,117,076,062 (as of December 31, 2021)

9.	Major shareholder and shareholding ratio	Foxconn Interconnect Technology Limited, 100.0%
10.	Relationship between the listed company and the company in question	
	Capital relationship	There is no capital relationship to be described between Sharp and Foxconn Interconnect Technology Singapore Pte. Ltd. HON HAI PRECISION INDUSTRY CO., LTD., Sharp's parent company, owns 72.61% shares.
	Personnel relationship	There is no personnel relationship to be described between Sharp and Foxconn Interconnect Technology Singapore Pte. Ltd.
	Business relationship	There is no business relationship to be described between Sharp and Foxconn Interconnect Technology Singapore Pte. Ltd.
	Applicability to related parties	There is no applicable item to be described between Sharp and Foxconn Interconnect Technology Singapore Pte. Ltd.

(2) FOXCONN OE TECHNOLOGIES SINGAPORE PTE. LTD.

1.	Name	FOXCONN OE TECHNOLOGIES SINGAPORE PTE. LTD.
2.	Location	54 GENTING LANE, #03-05, RUBY LAND COMPLEX, SINGAPORE 349562
3.	Job title and name of representative	Director, LEE, SHU-CHING
4.	Business description	WHOLESALE OF ELECTRONIC COMPONENTS
5.	Capitalization	USD 88,282,390
6.	Date established	August 26, 2015
7.	Net assets	USD 183,198,578 (as of December 31, 2021)
8.	Total assets	USD 189,356,906 (as of December 31, 2021)
9.	Major shareholder and shareholding ratio	Foxconn Interconnect Technology Limited, 100%
10.	Relationship between the listed company and the company in question	
	Capital relationship	There is no capital relationship to be described between Sharp and FOXCONN OE TECHNOLOGIES SINGAPORE PTE. LTD. HON HAI PRECISION INDUSTRY CO., LTD., Sharp's parent company, owns 72.61% shares.
	Personnel relationship	There is no personnel relationship to be described between Sharp and FOXCONN OE TECHNOLOGIES SINGAPORE PTE. LTD.
	Business relationship	There is no business relationship to be described between Sharp and FOXCONN OE TECHNOLOGIES SINGAPORE PTE. LTD.
	Applicability to related parties	There is no applicable item to be described between Sharp and FOXCONN OE TECHNOLOGIES SINGAPORE PTE. LTD.

4. Number and Amount of Shares to be Acquired and Status of Share Ownership Before and after Acquisition

1.	Number of shares owned before transfer	13,854,069 shares (Voting rights ownership ratio : 49.0%)
2.	Number of shares acquired	14,415,341 shares (Voting rights ownership ratio : 51.0%)
3.	Acquisition amount	FIT ELECTRONICS DEVICE PTE. LTD. ordinary shares USD 14,415,341 (1,977million yen, converted 1USD = 137.13 JPY. As of December1, 2022)
4.	Number of shares owned after transfer	28,269,410 shares (Voting rights ownership ratio : 100.0%)

5. Schedule

1.	Contract signing date	December 6, 2022
2.	Share transfer date	December 23, 2022 (plan)

6. Future Prospects

The impact of this transaction on consolidated performance for the fiscal year ending March 31, 2023 is minor.

7. Items Related to Transaction with Controlling Shareholder

(1) Situation

HON HAI PRECISION INDUSTRY CO., LTD., Sharp's parent company, indirectly invests 72.61% to Foxconn Interconnect Technology Singapore Pte. Ltd. and Foxconn OE Technologies Singapore Pte. Ltd., making SDTC's acquisition of FIT ELECTRONICS DEVICE PTE. LTD. shares from Foxconn Interconnect Technology Singapore Pte. Ltd. and Foxconn OE Technologies Singapore Pte. Ltd. a transaction with controlling shareholder.

Sharp's policy related to measures protecting minority shareholders upon transaction with controlling shareholder is described in its Corporate Governance Report disclosed on June 24, 2022 as follows:

- Regarding transaction with controlling shareholder, Sharp will consider market price and its profitability as it will in transactions with third parties, and will only conduct transaction when its necessity, validity and rationality can be determined.
- Sharp decides on executing transactions etc. based on appropriate procedures considering possibility of conflict of interest based on observation of company law and other related laws, and upon necessity, it will examine its necessity, validity and rationality at a special committee composed by all independent outside board members.

Since this shares acquisition is applicable as a related party transaction, Sharp held a special committee on November 2, 2022 prior to shares acquisition, confirming the related party transaction does not lack necessity, validity and rationality, and determined this transaction complies to the above policy.

(2) Items Regarding Measures to Maintain Fairness and Avoid Conflict of Interest

Sharp held a special committee on November 2, 2022 collecting opinions from independent outside board members (described in item (3) below) confirming the related party transaction does not lack necessity, validity and rationality.

Outline of opinions given by members non-related to conflict of interest with controlling shareholder regarding this transaction does not infringe the merit of minority shareholders Sharp held a special committee on November 2, 2022 composed by its independent outside board members Yutaka Nakagawa, Yasuo Himeiwa and Zhen-Wei Wang, and explained that with this transaction, SDTC will be able to proactively lead car appliance business expansion, and looking at current orders based on future business plans created by SDTC, business will expand to create overall profitability within Sharp group above investment, and considering the valuation result of the calculated share value is more favorable than the purchase price, it is not lacking in necessity, rationality, or appropriateness. Each committee gave their opinions that SDTC's perspective is not grossly unreasonable, and this decision will not infringe the merit of minority shareholders.

End

(Reference) Consolidated business forecast for the current fiscal year (announced on November 4, 2022) and consolidated business results for the previous fiscal year

	Consolidated net sales	Consolidated operating profit	Consolidated ordinary profit	Net profit attributable to owners of the parent
Consolidated business forecast (Fiscal Year Ending March 31, 2023)	2,700,000million yen	25,000million yen	12,000million yen	5,000million yen
Consolidated business results (Fiscal Year Ending March 31, 2022)	2,495,588million yen	84,716million yen	114,964million yen	73,991million yen