December 19, 2014

Company name: Sharp Corporation
Name of representative: Kozo Takahashi
President & Director
(Code: 6753)

Notice of Extraordinary Losses Accompanying Structure Reforms to Consumer Electronics Business in Europe

As was previously announced by the September 26, 2014 press release titled "Notice of extraordinary losses due to structural reforms of the Consumer Electronics business in Europe" ("September 26, 2014 Press Release"), Sharp Corporation ("Sharp") has entered binding agreements with the Slovakian company, Universal Media Corporation /Slovakia/ s.r.o. ("UMC") in relation to the business alliance for Sharp brand's audio visual business operated by its affiliate in Europe and the Turkish company, VESTEL TİCARET A.Ş. ("Vestel"), a sales company of Vestel Elektronik Sanayi ve Ticaret A.S. in relation to the business alliance for Sharp brand's white goods business operated by its affiliate in Europe ("Business Structural Reforms"), and has discussed such business alliance. Sharp today announces that Sharp's board of directors adopted a resolution for the transfer of the equity interest in Sharp's subsidiary company Sharp Manufacturing Poland Sp. zo. o. ("SMPL"), which produces LCD TVs in Poland, to UMC.

With the transfer of SMPL's equity interest etc., as previously announced in the September 26, 2014 Press Release, Sharp anticipates the incurrence of extraordinary losses in or after the third quarter of the fiscal year ending March 2015 as follows.

1. Summary of Business Alliances

Sharp is transforming its LCD TV business, which is part of the audio visual business in Europe[1], into a brand licensing business under which Sharp will license the Sharp brand including AQUOS brand for the LCD TVs that are sold by UMC in Europe, and talks have been finalized for the formal transfer of the equity interest in SMPL, which produces LCD TVs in Poland, to UMC. With this, Sharp's audio visual business in Europe will withdraw from production and sales businesses.

As announced by Sharp in the September 26, 2014 Press Release, control of sales and marketing for its white goods business in Europe[1] will transfer to

[1] The September 26, 2014 Press Release excluded Italy, Russia, UK, Netherlands and France from the agreements, but the UK and Netherlands are now subject to the agreements. It is expected that France will be subject to the agreements by the end of March 2015.

Vestel, and in an effort to expand its line-up, Sharp will also license its brand to Vestel for the volume zone home appliances, such as refrigerators, washing machines, dishwashers and electric ovens, manufactured by Vestel, and these appliances will be sold by Vestel.

The new value chain will start from January 1, 2015[2].

Through the Business Structural Reforms, Sharp expects to be able to improve the profitability of its consumer electronics business such as audio and white goods into business by combining the brand power of Sharp with the distribution network of UMC and Vestel. Sharp has now paved the way for the re-growth of its European business, together with the existing businesses including the energy solution business, the document business, the business solution business and the device business. Through the secure implementation of the Business Structural Reforms, Sharp will steadily proceed with the efforts for the realization of the Medium-Term Management Plan announced on May 14, 2013.

2. Details of SMPL Equity Interest Transfer

(1) Overview of SMPL

1. Name	Sharp Manufacturing Poland Sp. zo. o.
2. Address	Ostaszewo 57B, 87-148 Lysomice, Poland
3. Name and title of representative	Kaoru Ito, President
4. Description of business	Manufacture and sale of electronic components
5. Capital	PLZ 203,000 thousand (approx. JPY 7.7 billion)
6. Date of incorporation	April 24, 2006
7. Equity interest holder and equity interest holding ratio	Sharp Corporation (100.0%)

(Note) The figure of item 5 above is as of March 31, 2014. Yen amounts have been converted at an exchange rate of PLZ 1 = JPY 38.40

(2) Overview of Company Receiving Equity Interest

1. Name	Universal Media Corporation /Slovakia/ s.r.o.
2. Address	Mickiewiczova 7104/14, 811 07 Bratislava 1, Slovakia Republic
3. Name and title of representative	Aslan Khabliev, CEO
4. Description of business	Manufacture , sale and after-sales service of LCD TVs in Europe
5. Capital	EUR 1,660 thousand (approx. JPY 200 million)
6. Consolidated net assets	EUR 13,541 thousand (approx. JPY 1,800 million)
7. Consolidated total assets	EUR 116,776 thousand (approx. JPY 16,100 million)
8. Date of incorporation	December 10, 2003

(Note) The figures of items 5 through 7 above are as of June 30 2014. Yen amounts have been converted at an exchange rate of EUR 1 = JPY 138.21.

(3) Equity Interest Transferred, Transfer Price and Ownership Status Before and After Transfer and the Date of Equity Interest Transfer

1. Equity interest owned before	100.0%

[2] Confirmation of the Business Structural Reforms with Germany's "work council" employee representative group has been taking time, so the change to the value chain in that country is expected to take place after January 1, 2015, when the confirmation with the work council is complete.

transfer	
2. Equity interest transferred	100.0% (Transfer price: USD 1 million (approx. JPY 100 million))
3. Equity interest owned after transfer	0.0%
4. Date of transfer	December 19, 2014

3. Overview of Extraordinary Losses

With regard to the costs associated with the Business Structural Reforms from the third quarter to the fourth quarter of the fiscal year ending in March 2015, extraordinary losses of JPY 8,582 million on a consolidated basis and JPY 9,986 million on a non-consolidated basis are expected to be posted as losses from the costs of optimizing the work force and changing to the new value chain as well as from the transfer of SMPL equity interest. We are expecting consolidated extraordinary losses of JPY 14,368 million and non-consolidated extraordinary losses of JPY 9,986 million for the entire fiscal year ending March 2015.

*The figures of less than JPY 1 million on a consolidated basis are rounded off, and the figures of less than JPY 1 million on a non-consolidated basis are rounded down.

4. Impact on Business Performance

The impact that the Business Structural Reforms will have on business performance has been incorporated in the “Forecast of Financial Results for the year Ending March 31 2015” released on October 31, 2014. In addition, the full financial year consolidated business performance forecast ending March 2015 will not be revised at the current time because extraordinary gains from the sale of distribution locations and other fixed assets, accompanying the streamlining of distribution, are expected to be posted in or after the third quarter of the fiscal year ending March 2015.

We will promptly make an announcement if the need arises for the revision of the consolidated business performance forecasts.

(Reference) Consolidated Performance Forecasts for Current Term (Released October 31, 2014) and Consolidated Performance in Previous Term

	Consolidated Net Sales	Consolidated Operating Income	Consolidated Net Income
Current Term Forecasts (FYE March 2015)	JPY 2,900,000 Million	JPY 100,000 Million	JPY 30,000 Million
Previous Term Performance (FYE March 2014	JPY 2,927,186 Million	JPY 108,560 Million	JPY 11,559 Million

End