

May 12, 2016

[Translation]

Company Name: Sharp Corporation  
Representative: Kozo Takahashi  
President & Chief Executive Officer  
(Code No. 6753)

**Notice regarding the occurrence of a conversion restriction removal reason for Class B Shares and the termination upon agreement of the Class B Shares subscription agreement**

As announced in the “Notice regarding the issuance of Class Shares by third party allotment, revision of a part of articles of incorporation, decreases in capital and capital reserve, and appropriation of surplus” dated May 14, 2015, under the subscription agreement (the “Subscription Agreement”) entered into between Sharp Corporation (the “Company”) and Japan Industrial Solutions Fund I (“JIS”), with regard to the put options attached to the Class B Shares the consideration for which is common shares, while a conversion restriction that the put options can be exercised only on or after July 1, 2018 is imposed thereon, it is agreed that JIS is entitled to exercise the put options the consideration for which is common shares, even on or before June 30, 2018 if a certain conversion restriction removal reason occurs. The Company has announced that, when the Company becomes aware of a conversion restriction removal reason occurring, the Company will promptly disclose thereof.

The Company hereby announces that the conversion restriction removal reason has occurred as follows, and that JIS may exercise the put options the consideration for which is common shares at any time from and including today.

Furthermore, the Company also announces that, as a result of the discussions with JIS on the continuation of the Subscription Agreement held upon the removal of the conversion restrictions, and also taking into account the conclusion of a share subscription agreement among the Company, Hon Hai Precision Industry Co., Ltd., and three other companies (as disclosed in the press releases dated February 25, 2016, March 30, 2016, and April 2, 2016,) the Subscription Agreement will be terminated as of June 23, 2016 upon agreement with JIS.

1 Conversion restriction removal reason

- (1) The Company has no distributable amount as of the fiscal year ended March 31, 2016.
- (2) The consolidated operating income of the Company as of the fiscal year ended March 31, 2016 lowered down to the consolidated operating income set forth in the Medium-Term Management Plan, and the Company has marked an operating loss.

2 Number of dilutive shares of Class B Shares as of today

	Number of shares	Number of voting rights
(1) Number of issued Class B Shares	25,000 shares	—
(2) Number of common shares to be delivered as consideration (*1)	200,079,556 shares	200,079
(3) Number of the Company’s issued shares	1,701,214,887 shares	1,685,181

(*2)		
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\*1 This is calculated by adding the amount obtained by multiplying the amount equivalent to the amount to be paid in per Class B Share (1,000,000 yen) by the common share-consideration acquisition premium as of today (1.05) and the daily prorated unpaid preferred dividend amount; multiplying such total amount by the number of Class B Shares; and dividing such product by the acquisition price as of today (138.8 yen).

\*2 This is based on the figure as of March 31, 2016.

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