

June 5, 2018

Company name: Sharp Corporation
Name of representative: President J.W. Tai
(TSE code: 6753)

Announcement Regarding Acquisition of Toshiba Client Solutions Co., Ltd. to Become a Subsidiary of Sharp Corporation

Sharp Corporation announces that, at the meeting of the Board of Directors held this day, it was decided that Sharp Corporation will acquire 80.1% of the shares of Toshiba Client Solutions Co., Ltd., (below, “TCS”), a wholly owned subsidiary of Toshiba Corporation (below, “Toshiba”; with subsidiaries and affiliated companies, “Toshiba Group”), and that TCS will become a subsidiary of Sharp Corporation.

Note: For reference
1 USD (US dollar) = ¥109.70
1 CAD (Canadian dollar) = ¥84.84
1 AUD (Australian dollar) = ¥83.69
1 EUR (Euro) = ¥128.24

(Current as of June 4, 2018)

1. Reason for Acquisition of Shares

Under its new management system launched in August 2016, Sharp took decisive action to implement structural reforms aimed at an early return to profitability and strengthening management foundations. As a result, thanks to a return to profitability of the entire company, we turned a profit in quarterly net income attributable to the parent company’s shareholders in the consolidated financial results for the fiscal year ended March 31, 2018, for the first time in 10 reporting periods since the consolidated financial results for the fiscal year ended March 31, 2008. At present, we are advancing in our transformation to a company that will achieve its corporate vision of “Changing the World with 8K and AIoT” while continuing to implement structural reforms with the aim of realizing our Fiscal 2017–2019 Medium-Term Management Plan announced on May 26, 2017. In addition, we are pushing ahead with efforts aimed at sustainable growth to fulfill our commitment to serve society globally with a view to collaborating with companies that have management resources such as human resources and technologies that the Sharp Group does not possess.

Under these circumstances, Sharp has today decided to acquire from Toshiba 80.1% of the shares of TCS, which has been operating as a PC company within the Toshiba Group as a 100% wholly owned subsidiary of Toshiba, for 4.005 billion yen, and to make TCS a subsidiary of Sharp Corporation. As a result, Sharp will acquire the products, brands, personnel, technologies, sales channels, etc., related to the PC business, mobile edge computing business*, and drive recorder business, that the Toshiba Group developed primarily through TCS (below, “businesses acquired under this agreement”). (For the scope and method of the transfer of the businesses acquired under this agreement, see “2. Overview of the Acquisition” below).

*A business concept under which mobile devices are used to improve work efficiency and productivity at work sites at the edge of networks.

The idea is that through Sharp incrementally acquiring the businesses in question from the Toshiba Group under this agreement, it will enable us to pursue mutual business growth through synergistic collaboration in our respective business areas. Specifically, we will combine Sharp's cutting-edge technologies and devices such as our displays and various sensors with the leading-edge products and services that TCS possesses, and by linking to our AIoT platforms, we will further enhance the added value of our products and services, promote the adoption of smart features in the home and office, and further strengthen our ability to offer competitive AIoT solutions in global markets. By demonstrating our management competence and capabilities nurtured under the new management structure, this business acquisition will without doubt be linked to improved corporate value of the Sharp Group.

2. Overview of the Acquisition

(1) Transfer of the subsidiaries in question to TCS (referred to as subsidiaries in ① to ⑦ below)

- i) TCS currently owns ① Tama Toshiba Information Equipments Co., Ltd. (TJK) as its subsidiary.
- ii) Under this agreement, the Toshiba Group plans to execute the following by the share transfer date of this agreement (see "6. Schedule" below).
 - Transfer the following three companies, which are subsidiaries of Toshiba, as subsidiaries under TCS:
 - ② Toshiba Information Equipment (Hangzhou) Co., Ltd. (TIH)
 - ③ Toshiba Client Solutions ANZ Pty. Ltd. (TCSAN)
 - ④ Toshiba Client Solutions Canada Ltd. (TCSC)
 - Transfer the PC business from the following three companies, which are Toshiba's subsidiaries, to subsidiaries to be established under TCS in the future:
 - ⑤ Toshiba America Information Systems, Inc. (TAIS)
 - ⑥ Toshiba Europe GmbH (TEG)
 - ⑦ Toshiba Singapore Pte., Ltd. (TSP)
- iii) As a result of the above, TCS will have seven subsidiaries.

(2) On the share transfer date of this transaction, Toshiba will transfer 80.1% of the shares of TCS to Sharp (see "6. Schedule" below). As a result, TCS and the abovementioned seven companies will become subsidiaries of Sharp. It should also be noted that, among these, the companies that are expected to become specified subsidiaries of Sharp are TCS, ② TIH, and ③ TCSAN. Details of (1) above shall be finalized upon consultation between the two companies in the future, and may change depending on situation within Sharp and other factors.

3. Overview of Subsidiaries to Be Transferred

An overview of the subsidiaries to be transferred follows below.

It should also be noted that no relationships of note exist with any of them in terms of capital, personnel, or business, nor do these companies fall under the category of parties related to Sharp.

(1) TCS

1. Name	Toshiba Client Solutions Co., Ltd.		
2. Location	NBF Toyosu Garden Front 5-6-15 Toyosu, Koto-ku, Tokyo, Japan		
3. Job title and name of representative	Kiyofumi Kakudo, President & CEO		
4. Business description	Development, manufacture, sales, and support and service of PCs and system solutions products for the global market		
5. Capitalization	2.2 billion yen		
6. Date established	September 9, 1954 ^(*1)		
7. End of fiscal year	March		
8. Major shareholder and shareholding ratio	Toshiba Corporation 100%		
9. Operating results and financial condition of the company during the last three years ^{(*1)(*2)}			
Fiscal year	Ended March 2016	Ended March 2017	Ended March 2018
Net assets (equity)	—	1,864 million yen	(6,329 million yen)
Total assets	—	50,528 million yen	39,889 million yen
Net assets per share	—	773.15 yen	(1,438.38 yen)
Net sales	—	165,056 million yen	146,681 million yen
Operating income	—	(1,768 million yen)	(8,375 million yen)
Recurring profit	—	(2,155 million yen)	(8,662 million yen)
Net income	—	(1,764 million yen)	(8,211 million yen)
Net income per share	—	(731.84 yen)	(1,866.04 yen)
Dividend per share	—	—	—

^(*1) TCS was established on April 1, 2016 by via a company split that transferred the Toshiba Group's PC business to Toshiba Information Equipments Co., Ltd. (name

changed to Toshiba Client Solutions Co., Ltd. on April 1, 2016). Consequently, financial data for the fiscal year ended March 31, 2016 is information prior to the company split, and is therefore not noted.

(*2) Operating results and financial condition for the year ended March 31, 2018 are pre-audit figures and are thus for reference only and subject to change in the future.

(2) Toshiba Information Equipment (Hangzhou) Co., Ltd. (TIH)

1. Name	Toshiba Information Equipment (Hangzhou) Co., Ltd.		
2. Location	M12-19-1, Hangzhou Export Processing Zone of Zhejiang, Hangzhou, P.R. China		
3. Job title and name of representative	Chiharu Fukuda, President		
4. Business description	Development and manufacture of PCs and related equipment		
5. Capitalization	34 million USD		
6. Date established	June 18, 2002		
7. End of fiscal year	December		
8. Major shareholder and shareholding ratio	Toshiba Corporation 100% (including indirect ownership 10%)		
9. Operating results and financial condition of the company during the last three years			
Fiscal year	Ended December 2015	Ended December 2016	Ended December 2017
Net assets (equity)	57,691 thousand USD	55,283 thousand USD	53,283 thousand USD
Total assets	174,330 thousand USD	227,111 thousand USD	229,044 thousand USD
Net assets per share	289,920 yen	268,332 yen	250,875 yen
Net sales	848,431 thousand USD	750,884 thousand USD	808,962 thousand USD
Operating income	13,771 thousand USD	11,415 thousand USD	9,491 thousand USD
Recurring profit	14,209 thousand USD	11,741 thousand USD	9,574 thousand USD
Net income	10,392 thousand USD	6,945 thousand USD	7,577 thousand USD
Net income per share	52,408 yen	31,756 yen	35,464 yen
Dividend per share	66,779 yen	42,764 yen	44,826 yen

(3) Toshiba Client Solutions ANZ Pty. Ltd. (TCSAN)

1. Name	Toshiba Client Solutions ANZ Pty Limited		
2. Location	12-24 Talavera Rd., North Ryde, NSW 2113 Australia		
3. Job title and name of representative	Mark Whittard, Managing Director		
4. Business description	Sales, etc., of PCs and related equipment		
5. Capitalization	6,900 thousand AUD		
6. Date established	July 28, 2016		
7. End of fiscal year	March		
8. Major shareholder and shareholding ratio	TAIS 100%		
9. Operating results and financial condition of the company during the last three years (*1)			
Fiscal year	Ended March 2016	Ended March 2017	Ended March 2018
Net assets (equity)	—	9,566 thousand AUD	11,809 thousand AUD
Total assets	—	52,490 thousand AUD	35,389 thousand AUD
Net assets per share	—	119 yen	140 yen
Net sales	—	60,732 thousand AUD	99,917 thousand AUD
Operating income	—	3,994 thousand AUD	3,899 thousand AUD
Recurring profit	—	3,770 thousand AUD	3,417 thousand AUD
Net income	—	2,666 thousand AUD	2,221 thousand AUD
Net income per share	—	32 yen	28 yen
Dividend per share	—	0 yen	0 yen

(*1) Operating results and financial condition for the year ended March 31, 2018 are pre-audit figures and are thus for reference only and subject to change in the future.

(4) Overview of Other Related Subsidiaries

Since the other companies ① and ④ through ⑦ are not meeting disclosure standards at the present time, only an overview will be given.

Note that operating results and financial condition for the year ended March 31, 2018 are pre-audit figures and are thus for reference only and subject to change in the future.

Subsidiary name	① TJK	④ TCSC	⑤ TAIS	⑥ TEG	⑦ TSP
Business description	Sales, repair, maintenance, electrical engineering work, etc. for PCs, servers, system solutions, etc.	Sales, etc., of PCs and related equipment	Sales, etc., of PCs and related equipment	Sales, etc., of PCs and related equipment	Sales, etc., of PCs and related equipment
Capitalization	25 million yen	1 million CAD	192 USD	64.3 million EUR	5.9 million USD
Fiscal year	Ended March 2018	Ended March 2018	Ended March 2018	Ended March 2018	Ended March 2018
Total assets	762 million yen	27,233 thousand CAD	135,715 thousand USD	212,125 thousand EUR	32,754 thousand USD
Net sales	2,328 million yen	55,843 thousand CAD	210,599 thousand USD	475,414 thousand EUR	68,564 thousand USD
Operating income	9 million yen	1,807 thousand CAD	(3,926 thousand USD	(103,142 thousand EUR)	2,783 thousand USD
Net income	12 million yen	1,325 thousand CAD	(4,580 thousand USD)	(85,789 thousand EUR)	3,885 thousand USD

4. Overview of Counterparty to Share Acquisition Agreement (as of March 31, 2018)

1. Name	Toshiba Corporation
2. Location	1-1-1 Shibaura, Minato-ku, Tokyo, Japan
3. Job title and name of representative	Satoshi Tsunakawa, President & CEO
4. Business description	Energy system solutions Infrastructure system solutions Storage and device solutions Industrial ICT solutions
5. Capitalization	499.9 billion yen
6. Date established	June 25, 1904
7. Consolidated net assets	1,010.7 billion yen
8. Consolidated total assets	4,458.2 billion yen
9. Major shareholders and shareholding ratios	Goldman, Sachs & Co. Reg 14.6% Goldman Sachs International 6.9% ECM MF 4.9% Credit Suisse Securities (USA) LLC Spcl. for Excl. Ben 3.3% MSCO Customer Securities 2.6%
10. Relationship between the listed company and the company in question	
Capital relationship	Not applicable
Personnel relationship	One of our outside directors concurrently serves as an executive officer of said company.
Business relationship	Business relationships exist with the company, such as product sales.
Applicable situation to related parties	Not applicable

5. Number of Shares to Be Transferred and Status of Share Ownership Before and After Transfer

- (1) Number of shares owned before the transfer: 0 shares (ownership percentage: 0%)
- (2) Number of shares to be transferred and consideration for same: 3,524,400 shares (ownership percentage: 80.1%) (4.005 billion yen [rough estimate; see *4 below])
- (3) Number of shares owned after transfer: 3,524,400 shares (ownership percentage: 80.1%)

(*4) Consideration for this transfer is based on financial figures of the companies being transferred, including TCS, as of December 31, 2017. Since the ultimate transfer consideration will be determined based on the financial figures at the time of transfer, the amount of the consideration may be adjusted *ex post facto*.

6. Schedule

- (1) Date of resolution of the Board of Directors: June 5, 2018
- (2) Contract signing date: June 5, 2018
- (3) Share transfer date: October 1, 2018 (scheduled)

7. Future Prospects

The impact of this transaction on consolidated performance for the fiscal year ending March 31, 2019 is minor.

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