

February 18, 2022

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

**Notice Regarding Start of Discussions for Consolidation (Recovery)
of Sakai Display Products Corporation**

Sharp Corporation (hereinafter “Sharp”) announced today on its resolution at the board members' meeting held on February 18, 2022 to start discussions with Sakai Display Products Corporation (hereinafter “SDP”) and SDP’s major shareholder, World Praise Limited (hereinafter “WPL”). The objective is to acquire SDP shares owned by WPL and recover consolidation of SDP by combining shares with those partially owned by Sharp.

1. Reason for Start of Discussions

Sharp has procured large size LCD panels from SDP since the start of SDP’s establishment in 2009 for its TV business and professional display business. Based on this situation, and with the following ideas considering consolidation of SDP to be meriting, Sharp decided to start discussions for recovery of consolidation of SDP:

- 1) Stable supply of high quality panels that form a large proportion of products costs will play a crucial role in its aim for global business expansion in large size TVs and professional displays where demands are expected to continue to grow.
- 2) In display device business, demands for panels in IT devices are growing with the acceleration of new normal and digital transformation. Also with the application of displays developing in various fields led by automotive and metaverse areas, overall demands for panels are expected to grow as well. Under this situation, the fusion of both parties’ resources is expected to contribute to business enforcement with expansion of business applications and increase in production capacity.
- 3) While China holds a large proportion in supplies of the large size panels market, tension in U.S.-China trade friction is ongoing and concerns remain. Under this situation, SDP is the only Gen.10 LCD plant (2,880mm x 3,130mm mother glass) outside of China, and advantage in supply to U.S. market can be expected.

2. Outline of SDP

(1) Name	Sakai Display Products Corporation
(2) Location	1 Takumi-cho, Sakai-ku, Sakai City, Osaka, Japan
(3) Job title and name of representative	Representative Director Leroy Yau
(4) Business description	Development, manufacture, distribution, export and import of liquid crystal displays and other displays
(5) Capitalization	32.485 billion yen

(6)	Date established	April 1, 2009		
(7)	Issued shares	4,198,000		
(8)	Account Closing Date	December 31		
(9)	Major shareholder and shareholding ratio	Sharp Corporation 20.00% World Praise Limited 80.00%		
(10)	Relationship between the listed company and the company in question			
	Capital relationship	Sharp owns 20.00% of SDP shares.		
	Personnel relationship	Sharp personnel are seconded to SDP.		
	Business relationship	Sharp has business relationship with SDP related to LCD panels and LCD modules.		
(11)	Operating results and financial condition of the company during the last three years			
	Fiscal year	Fiscal 2018	Fiscal 2019	Fiscal 2020
	Net assets (equity)	135,503million yen	115,891million yen	13,880million yen
	Total assets	312,749million yen	348,295million yen	260,470million yen
	Net sales	111,442million yen	99,920million yen	105,211million yen
	Operating income	(17,759million yen)	(7,175million yen)	(41,621million yen)
	Recurring profit	(28,543million yen)	(19,633million yen)	(49,863million yen)
	Net income	(28,470million yen)	(19,642million yen)	(101,994million yen)

Note: Business results and financial status at end of December 2021 is currently under aggregation, and therefore status for fiscal 2018 to fiscal 2020 are reported. Since SDP does not perform consolidated closing, the figures are non-consolidated financial results.

3. Outline of Other Party Related to Acquisition of Shares

(1)	Name	World Praise Limited	
(2)	Location	Viistra Corporate Services Center, Ground Floor NPF Building, Beach Road, Apia, Samoa.	
(3)	Basis for establishment	TBD	
(4)	Reason for establishment	TBD	
(5)	Date established	March 8, 2001	
(6)	Total amount of investment	USD 30 million	
(7)	Investor / Invest ratio / outline of investor	1. 83.08% YAU LEROY (Representative Director of Sakai Display Products Corporation)	
(8)	Outline of executive partnership	Name	TBD
		Location	TBD
		Job title and name of representative	TBD
		Business description	TBD
		Capitalization	TBD

(9)	Relationship between the listed company and the fund in question	
	Relationship between the listed company and the fund in question	There is no relationship described with Sharp.
	Relationship between the listed company and managing partner	There is no relationship described with Sharp.

4. Number of Shares to be Acquired

Sharp schedules to acquire shares to recover SDP as its wholly-owned subsidiary.

5. Future Prospects

Details will be disclosed immediately after determined.

End