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Securities Code: 6753

June 7, 2021

SHARP CORPORATION

Notice of Convocation of the 127th Ordinary General Meeting of Shareholders

To Our Shareholders:

We hereby notify you of the convocation of the 127th Ordinary General Meeting of Shareholders as per the description below.

DESCRIPTION

1. Date and Time: Tuesday, June 29, 2021, at 10:00 a.m.
(Reception will start at 9:00 a.m.)
2. Venue: 1 Takumi-cho, Sakai-ku, Sakai-shi, Osaka
Sharp Corporation (Multi-Purpose Hall)
3. Purpose of the Meeting:
Reporting: The Business Report, Consolidated Financial Statements and Non-consolidated Financial Statements, Audit Reports of Consolidated Financial Statements by the Accounting Auditors and the Audit & Supervisory Committee for the 127th Term (from April 1, 2020 to March 31, 2021)

Matters to be Resolved:

- Proposal No.1: Election of Four (4) Directors (except the members of Audit & Supervisory Committee)
- Proposal No.2: Election of Three (3) Directors as the member of Audit & Supervisory Committee
- Proposal No.3: Establishment of the Remuneration for Directors (except the members of Audit & Supervisory Committee)
- Proposal No.4: Establishment of the Remuneration for Directors as the members of Audit & Supervisory Committee
- Proposal No.5: Partial Amendments to the Articles of Incorporation

Reference Information Regarding Proposals**Proposal No. 1: Election of Four (4) Directors (except the members of Audit & Supervisory Committee)**

The terms of office of all the present four (4) Directors (except the members of Audit & Supervisory Committee) will expire at the conclusion of this General Meetings of Shareholders. Therefore, Sharp nominates the following four (4) candidates of Directors (except the members of Audit & Supervisory Committee) with whom Sharp enters into a subscription agreement.

Regarding this proposal, consideration was made by Audit & Supervisory Committee, and there was no particular comment to be pointed out.

The candidates for the Directors (except the members of Audit & Supervisory Committee) are as follows and the asterisk (*) denotes the new candidate:

No.	Name of Candidate (Date of Birth)	Current Position (Significant Concurrent Position at Other Company)	Ownership of Sharp's Shares
1	Jeng-Wu Tai (September 3, 1951)	• Representative Director, Chairman & Chief Executive Officer of sharp	0 share
2	Katsuaki Nomura (February 7, 1957)	• Representative Director, President & Chief Operating Officer, Head of Corporate Strategic Planning and Control Group of sharp	1,679 shares
3	Hong-Jen Chuang (March 12, 1954)	• Representative Director, Hong Han Investment Co., Ltd. • Director, Advanced Optoelectronic Technology, Inc. • Director, General Interface Solution Holding Limited • Director, eChem Solutions Corp.	0 share
4	Ting-Chen Hsu (November 29, 1963)	• Partner, Suwa Investment Holdings, LLC	0 share

(Notes)

1. Mr. Ting-Chen Hsu is candidate for an Outside Director, as stipulated by Article 2, Paragraph 3, Item 7 of the Enforcement Regulations of the Company Act.

Remarks for the candidate of an Outside Director:

Mr. Ting-Chen Hsu:

Since Mr. Ting-Chen Hsu has been working in a job related to semiconductor and display, etc. and managed a company for many years, he is able to completely fulfill the expected roles as an Outside Director. For this reason, it is proposed that Mr. Ting-Chen Hsu would be elected.

2. Sharp plans to enter into a liability limitation agreement with Mr. Hong-Jen Chuang and Ting-Chen Hsu which limits their liability within the extent stipulated by law.
3. The company has concluded a directors and officers liability insurance agreement provided for in Article 430-3, Paragraph 1 of the Company Act with an insurance company. In the event of a claim for damages submitted by a shareholder or a third party, etc., the said insurance agreement shall compensate for damages including compensation for damages and legal expenses to be borne by the insureds. The candidates will be included as insureds in the said insurance agreement. In addition, the Company plans to renew the agreement with details of the same degree at the time of next renewal.

Proposal No. 2: Election of Three (3) Directors as the member of Audit & Supervisory Committee

The terms of office of all the present three (3) Directors (the members of Audit & Supervisory Committee) will expire at the conclusion of this Annual General Meetings of Shareholders. Therefore, Sharp nominates the following three (3) candidates of Directors as the members of Audit & Supervisory Committee with whom Sharp enters into a subscription agreement.

Regarding this proposal, we have obtained the consent from Audit & Supervisory Committee.

The candidates for the Director as the members of Audit & Supervisory Committee are as follows:

Name of Candidate (Date of Birth)	Current Position (Significant Concurrent Position at Other Company)	Ownership of Sharp's Shares
Hsu-Tung Lu (December 22, 1964)	• Outside Director (the member of Audit & Supervisory Committee) of Sharp	0 share
Yasuo Himeiwa (November 5, 1953)	• Outside Director (the member of Audit & Supervisory Committee) of Sharp • Head, Himeiwa certified public accountants' office • Outside Auditor, Takara Bio Inc. • Outside Director (the member of Audit & Supervisory Committee), IDEC Corporation	0 share
Yutaka Nakagawa (December 4, 1945)	• Outside Director (the member of Audit & Supervisory Committee) of Sharp	0 share

(Notes)

1. Mr. Hsu-Tung Lu, Mr. Yasuo Himeiwa and Mr. Yutaka Nakagawa are candidates for Outside Directors, as stipulated by Article 2, Paragraph 3, Item 7 of the Enforcement Regulations of the Company Act.

Remarks for the candidates of Outside Directors:

Mr. Hsu-Tung Lu:

Since Mr. Hsu-Tung Lu has engaged in accounting for many years. Based on his abundant experience and broad knowledge, he is able to completely fulfill the expected roles as an Outside Director (the member of Audit & Supervisory Committee). For this reason, it is proposed that Mr. Hsu-Tung Lu would be elected.

Mr. Yasuo Himeiwa:

Since Mr. Yasuo Himeiwa has been working as a certified public accountant for many years, Based on his abundant experience and broad knowledge, he is able to completely fulfill his expected role as an Outside Director (the member of Audit & Supervisory Committee). For this reason, it is proposed that Mr. Yasuo Himeiwa would be elected.

Mr. Yutaka Nakagawa:

Since Mr. Yutaka Nakagawa has been working in a job related to audiovisual equipment and semiconductor, etc. and managed a company for many years, he is able to completely fulfill his expected roles as an Outside Director (the member of Audit & Supervisory Committee). For this reason, it is proposed that Mr. Yutaka Nakagawa would be elected.

2. There are no special interests between Sharp and Mr. Hsu-Tung Lu, Mr. Yasuo Himeiwa and Mr. Yutaka Nakagawa.
3. Sharp has entered into a liability limitation agreement with Mr. Hsu-Tung Lu, Mr. Yasuo Himeiwa and Mr. Yutaka Nakagawa, which limit their liability within the extent stipulated by law.
4. Mr. Hsu-Tung Lu and Mr. Yasuo Himeiwa have served as outside directors for four years. Mr. Yutaka Nakagawa has served as an outside director for one year.

5. The company has concluded a directors and officers liability insurance agreement provided for in Article 430-3, Paragraph 1 of the Company Act with an insurance company. In the event of a claim for damages submitted by a shareholder or a third party, etc., the said insurance agreement shall compensate for damages including compensation for damages and legal expenses to be borne by the insureds. The candidates will be included as insureds in the said insurance agreement. In addition, the Company plans to renew the agreement with details of the same degree at the time of next renewal.
6. While Mr. Hsu-Tung Lu, Mr. Yasuo Himeiwa and Mr. Yutaka Nakagawa have served as outside directors of the Company, the existence of improper accounting treatment was revealed at the Company's consolidated subsidiary, Kantatsu Co.Ltd. and its subsidiaries. Each of the outside directors had been unaware of the incident until it was revealed. However, they had given various advice and warnings from the perspective of legal compliance at meetings of the Board of Directors. After the discovery of the case, they fulfilled their responsibilities by confirming the Company's efforts to prevent recurrence.

Proposal No. 3: Establishment of the Remuneration for Directors (except the members of Audit & Supervisory Committee)

At the 125th Ordinary General Meeting of Shareholders held on June 25, 2019, the cash remuneration for Directors (except the members of Audit & Supervisory Committee. The same shall apply hereinafter in this proposal) was approved as 500 million yen or less (excluding the employee salary portion paid to the Directors concurrently serving as employees) per business year. At the same time, the stock acquisition rights for Directors was approved as 3,000 units or less, and those total value to be 300 million yen at maximum, separately from the aforementioned remuneration.

The current number of Directors is 4 (of which 0 is Outside Director). If the Proposal No.1 is approved as originally proposed, the number of Directors will be 4 (of which 1 will be an Outside Director). In order to strengthen corporate governance, the number of Outside Directors will increase by 1. We would like to set the cash remuneration for Directors as 500 million yen or less (including bonuses, excluding the employee salary portion paid to the Directors concurrently serving as employees), of which 20 million yen or less for an Outside Director per business year. Details regarding allocation to each Director shall be decided at the Board of Directors or Remuneration Committee as delegated by the Board of Directors.

In order to promote further value sharing between Directors and our shareholders and to strengthen the incentive for Directors to improve the Company's performance, we would like to set the new remuneration for the granting restricted stock to Directors, separately from the above remuneration quota. Subject to the approval of this proposal at this General Meeting of Shareholders, the above remuneration quota by way of stock acquisition rights for Directors, except for those already granted, will be abolished.

The total amount of cash remuneration to be paid to Directors of the Company (the "Grantee Directors") for the granting restricted stock shall be 300 million yen or less (of which the amount for Outside Directors shall be 12 million yen or less) per the business year. The amount is considered reasonable based on the above purpose. Details regarding the timing of the granting and allocation to each Directors shall be decided at the Board of Directors.

Based on the resolution of the Board of Directors of the Company, the Grantee Directors shall contribute all of the monetary remuneration claim paid under this proposal in the form of property contributed in kind, and shall, in return, receive shares of common stock of the Company that become available through issuance or disposal by the Company, where the total number of shares of common stock of the Company that become available through such issuance or disposal shall be 150 thousand per business year (provided, however, that in the event of a stock split (including gratis allotment of shares of common stock of the Company), or a reverse stock split of shares of common stock of the Company, or any other circumstance necessitating the adjustment to the total number of shares of common stock of the Company issued or disposed of as restricted stock after the date of adoption of the resolution for approval of this proposal, such total number of shares shall be adjusted within a reasonable range), while the amount per share to be paid shall be determined at the Board of Directors, based on the closing price of shares of common stock of the Company on the Tokyo Stock Exchange on the business day preceding each resolution at the Board of Directors (if such date was a non-trading day, the closing price of the immediately preceding trading day), which should be within the range not particularly advantageous to the Grantee Directors who are to subscribe for the common stock of the Company.

In issuing or disposing shares of the common stock of the Company in accordance with the above, the Company and the Grantee Directors shall enter into a restricted stock allotment agreement, which includes the contents described in the Appendix in the Proposal No.4.

This proposal has been decided by the Board of Directors after deliberations at the Remuneration Committee in comprehensive consideration of the scale of the Company's business, the remuneration system for Directors and the level of payment for them, and the proposal has been considered reasonable. In addition, since the amount to be paid for the allotted shares should be within the range not particularly advantageous to the Grantee Director and the dilution ratio is insignificant, the granting restricted stock has been considered reasonable.

Proposal No. 4: Establishment of the Remuneration for Directors as the members of Audit & Supervisory Committee

At the 125th Ordinary General Meeting of Shareholders held on June 25, 2019, the cash remuneration for Directors (the members of Audit & Supervisory Committee) was approved as 100 million yen or less per business year. At the same time, the stock acquisition rights for Directors (the members of Audit & Supervisory Committee) was approved as 600 units or less, and those total value to be 60 million yen at maximum, separately from the aforementioned remuneration.

Even if the Proposal No.2 is approved as originally proposed, the number of Directors (the members of Audit & Supervisory Committee) will remain unchanged from 3. We would like to continuingly set the cash remuneration for Directors (the members of Audit & Supervisory Committee) as 100 million yen or less (including bonuses) per business year.

In order to promote further value sharing between Directors (the members of Audit & Supervisory Committee) and our shareholders and to raise awareness of the need for full auditing and supervision of business execution, thereby preventing damage to corporate value and maintaining credibility of the Company, we would like to set the new remuneration for the granting restricted stock to Directors (the members of Audit & Supervisory Committee), separately from the above remuneration quota. Subject to the approval of this proposal at this General Meeting of Shareholders, the above remuneration quota by way of stock acquisition rights for Directors (the members of Audit & Supervisory Committee), except for those already granted, will be abolished.

The total amount of cash remuneration to be paid to Directors (the members of Audit & Supervisory Committee) of the Company (the “Grantee Directors”) for the granting restricted stock shall be 60 million yen or less per the business year. The amount is considered reasonable based on the above purpose. Details regarding the timing of the granting and allocation to each Director shall be decided through discussions among Directors (the members of Audit & Supervisory Committee).

Based on the resolution of the Board of Directors of the Company, the Grantee Directors shall contribute all of the monetary remuneration claim paid under this proposal in the form of property contributed in kind, and shall, in return, receive shares of common stock of the Company that become available through issuance or disposal by the Company, where the total number of shares of common stock of the Company that become available through such issuance or disposal shall be 30 thousand per business year (provided, however, that in the event of a stock split (including gratis allotment of shares of common stock of the Company), or a reverse stock split of shares of common stock of the Company, or any other circumstance necessitating the adjustment to the total number of shares of common stock of the Company issued or disposed of as restricted stock after the date of adoption of the resolution for approval of this proposal, such total number of shares shall be adjusted within a reasonable range), while the amount per share to be paid shall be determined at the Board of Directors, based on the closing price of shares of common stock of the Company on the Tokyo Stock Exchange on the business day preceding each resolution at the Board of Directors (if such date was a non-trading day, the closing price of the immediately preceding trading day), which should be within the range not particularly advantageous to the Grantee Directors who are to subscribe for the common stock of the Company.

In issuing or disposing shares of the common stock of the Company in accordance with the above, the Company and the Grantee Directors shall enter into a restricted stock allotment agreement, which includes the contents described in the following Appendix.

This proposal has been decided by the Board of Directors in comprehensive consideration of the scale of the Company's business, the remuneration system for Directors and the level of payment for them, and the proposal has been considered reasonable. In addition, since the amount to be paid for the allotted shares should be within the range not particularly advantageous to the Grantee Director and the dilution ratio is insignificant, the granting restricted stock has been considered reasonable.

(Appendix) Specific details of the restricted stock allotment agreement

The restricted stock allotment agreement, which shall be entered into between the Company and Directors (except the members of Audit & Supervisory Committee.) in the Proposal No.3 and Directors (the members of Audit & Supervisory Committee) in Proposal No.4 (together, referred to as the “Grantee Directors”.) is as follows.

- (1) The Grantee Directors may not transfer, use as collateral or otherwise dispose of the common stock of the Company allocated under the restricted stock allotment agreement (the “Allotted Shares”) (the “Transfer Restriction”) for three years (however, if the Board of Directors of the Company separately determines the period to be between approximately one year and five years from the payment date, then that period) (the “Transfer Restriction Period”).
- (2) If a Grantee Director resigns or retires from the post of the Director or any other posts determined by the Board of Directors of the Company before the expiration of the period separately determined by the Board of Directors of the Company (the “Service Period”), the Company shall automatically acquire the Allotted Shares without consideration, unless the Board of Directors of the Company recognizes justifiable reasons.
- (3) The Company shall lift the Transfer Restriction for all or part of the Allotted Shares upon expiration of the Transfer Restriction Period, on the condition that a Grantee Director continuously remained in the posts of the provisions of (2) above throughout the Transfer Restriction Period (in addition, on the condition that certain performance targets are achieved if the targets are determined by the Board of Directors of the Company). If a Grantee Director resigns or retires from the posts of the provisions of (2) above before the expiration of the Service Period with justifiable reasons of the provisions of (2), the number of the Allotted Shares for which the Transfer Restriction is to be lifted and the time of lifting the Transfer Restriction shall be adjusted reasonably and flexibly.
- (4) Upon expiration of the Transfer Restriction Period, the Company shall automatically acquire the Allotted Shares without consideration, for which the Transfer Restrictions have not been lifted in accordance with the provisions of (3) above.
- (5) If matters related to a merger agreement in which the Company is to be the absorbed company, a share exchange agreement or a share transfer plan in which the Company is to become a wholly-owned subsidiary, or other organizational restructuring, etc., are approved by the General Meeting of Shareholders of the Company (or by the

Board of Directors of the Company, where such organizational restructuring, etc. does not require approval of the General Meeting of Shareholders of the Company) during the Transfer Restriction Period, the Transfer Restriction of the Allotted Shares, of which the number is reasonably determined based on the period from the commencement date of the Restriction Period to the date of approval of the such organizational restructuring, etc., shall be lifted, by the resolution of the Board of Directors of the Company, prior to the effective date of such organizational restructuring, etc.

- (6) In the case stipulated in (5) above, the Company shall automatically acquire, without consideration, the Allotted Shares for which the Transfer Restrictions have not been lifted at the time immediately after the restrictions on transfer are lifted in accordance with the provisions of (5) above.
- (7) The method of indication of intention and notification in this restricted stock allotment agreement, the method of revision of the allotment agreement, and other matters decided by the Board of Directors of the Company, shall be incorporated into the allotment agreement.

(For reference)

Subject to the approval of both the Proposal No. 3 and the Proposal No. 4 at this General Meeting of Shareholders, the Company plans to introduce a system of the new remuneration for the granting restricted stock, similar to this system, to the executive officers and employees of the Company, and to the directors (including the members of Audit & Supervisory Committee), auditors and employees of the Company's subsidiaries.

Proposal No. 5: Partial Amendments to the Articles of Incorporation

1. Sharp would like to amend the Articles of Incorporation. Details are described in the following 2. “Details of Amendments”.

(1) Deletion of the Provisions Concerning Class C Shares

With respect to the Class C shares, all of the issued shares of Class C shares were acquired and cancelled last year, and accordingly, the provisions will be deleted.

(2) Deletion of the Provisions Concerning General Meeting of Class Shareholders

All of the issued shares of Class C shares were acquired and cancelled last year, and accordingly, the provisions concerning general meeting of Class shareholders will be deleted.

(3) Others

For the above, amendments of articles will be made.

2. Details of Amendments

Concrete details of amendments to the Articles of Incorporation are described as follows.

Proposed Amendments to the Articles of Incorporation

(Amended portions are underlined.)

Current Articles	Amended Articles
<p>(Total Number of Authorized Shares) Article 6 The total number of shares to be issued by the Company shall be 1 billion shares, <u>and the total number of each class to be issued by the Company shall be as follows.</u> <u>common share: 1 billion shares</u> <u>Class C share: 1,136,363 shares</u></p>	<p>(Total Number of Authorized Shares) Article 6 The total number of shares to be issued by the Company shall be 1 billion shares.</p>
<p><u>(Class C shares)</u> Article 6 – 2 The details of the Class C Shares issued by the Company shall be prescribed from the next paragraph to paragraph 8.</p>	(deleted)
<p><u>(2) Dividends from surplus</u></p> <p><u>If the Company is to pay a dividend from surplus using the record date belonging to a business year, it shall pay the dividend to shareholders who hold Class C Shares (the “Class C Shareholders”) and registered pledgees of the Class C Shares (together with the Class C Shareholders, “Class C Shareholders, Etc.”) entered or recorded in the final shareholders register as at the record date (the “Record Date for Dividends” in this Article) by the monetary amount of dividend from surplus calculated by multiplying the amount of dividend per common share by the conversion ratio provided for in Paragraph 5, Item 2 per the Class C Share (the amount paid by such dividend per share of Class C Shares is referred to as the “Class C Dividend”) ranking pari-passu with the shareholders of common shares or registered pledgee of common shares (collectively the “Common Shareholders, etc.”) entered or recorded in the final shareholders register as at the Record Date for Dividends. A fraction of less than one yen that arises in the amount calculated by multiplying the Class C Dividend by the number of the Class C Shares owned by each Class C Shareholders, Etc. is to be rounded down.</u></p>	
<p><u>(3) Distribution of residual assets</u></p> <p><u>If the Company is to distribute residual assets, it shall distribute residual assets to the Class C Shareholders, etc. by the monetary amount of distribution of</u></p>	

residual assets calculated by multiplying the amount of residual assets to be distributed per common share by the conversion ratio provided for in Paragraph 5, Item 2 per the Class C Share (the amount paid by such distribution per share of Class C Shares is referred to as the "Class C Residual Assets Distribution Amount") ranking pari-passu with the Common Shareholders, etc. A fraction of less than one yen that arises in the amount calculated by multiplying the Class C Residual Assets Distribution Amount by the number of the Class C Shares owned by each Class C Shareholders, Etc. is to be rounded down.

(4) Voting rights

Class C Shareholders do not have voting rights at general meetings of shareholders and general meetings of class shareholders constituted by Class C Shareholders unless otherwise provided for in laws.

(5) Call option the consideration for which is common shares

1. On and after July 1, 2017, the Company may acquire all or some of the Class C Shares in exchange for delivery of the number of common shares calculated by multiplying the number of Class C Share by the conversion ratio provided for in Item 2 per the Class C Share to the extent permissible under law and regulations on the coming of the day to be separately determined by the Board of Directors meeting. If the Company acquires some of the Class C Shares, it may decide the Class C Shares to acquire on a pro rata basis or by other reasonable method to be separately determined by the Board of Directors meeting.

2. The conversion ratio of Class C Shares should be 100.

(6) Restrictions on assignment

Any acquisition of Class C Shares by assignment requires the approval of the Company's Board of Directors.

(7) Consolidation of shares or share split; allotment of shares without contribution, etc.

1. When consolidating or splitting shares, the Company shall consolidate or split the Class C Shares at the same time and the same rate as the common shares.
2. When allotting the shares without contribution or the share options without contribution (including those attached to bonds with a share option, the same shall apply hereinafter in this Article), the Company shall allot the Class C Shares without contribution or the share options without contribution for which the Class C Shares are the underlying shares to the Class C Shareholders at the same time and same rate as the Company allots the common shares without contribution or the share options without contribution for which the common shares are the underlying shares to the shareholders who hold common shares (including to practically conform with the number of shares underlying the share options).
3. When issuing the shares for subscription by granting an entitlement to an allotment of shares to the shareholders (including the disposition of treasury shares) or issuing the share options by granting an entitlement to an allotment of share options to the shareholders (including the disposition of their own share options), the Company shall grant an entitlement to the allotment of the Class C Shares or share options for which the Class C Shares are the underlying shares to the Class C Shareholders at the same time and the same rate as the Company grants entitlements to the allotment of common shares or share options for which the common shares are the underlying shares to the shareholders who hold common shares (including to practically conform with the number of shares underlying the share options) under fair conditions in terms of the amount to be paid for the shares or share options for subscription, or the value of the property to be contributed when such share options are exercised.
4. Except for the cases listed in the preceding items, the Company will not implement share split or

consolidation of shares, or an allotment of shares without contribution or share options without contribution in relation to Class C Shares, and will not grant an entitlement to the allotment of shares for subscription or share options for subscription to Class C Shareholders.

(8) Exclusion of shareholder's right to be added as a seller for acquisition of treasury stock

If the Company decides to acquire all or a part of the Class C Shares which are owned by the Class C Shareholders by agreement with the Class C Shareholders by a resolution of a general meeting of shareholders, the provisions in Article 160, Paragraphs 2 and 3 of the Companies Act will not apply.

Article 6-3 (omitted)

(Number of Shares in a Unit (*Tangen*) of Shares)

Article 8 The number of shares comprising one unit (*tangen*) of shares shall be 100 for common shares and 1 for Class C shares.

(General Meeting of Class Shareholders)

Article 16-2

(1) The provisions of Article 12 hereof shall apply mutatis mutandis to the General Meeting of Class Shareholders to be held on the same day as the Ordinary General Meeting of Shareholders.

(2) The provisions of Article 13, 14, and 16 hereof shall apply mutatis mutandis to the General Meeting of Class Shareholders.

(3) The provision of Article 15, Paragraphs 1 and 2 hereof shall apply mutatis mutandis to resolutions of the General Meeting of Class Shareholders to be made pursuant to the provisions of Article 324, Paragraphs 1 and 2 of the Companies Act respectively.

Article 6-2 (unchanged)

(Number of Shares in a Unit (*Tangen*) of Shares)

Article 8 The number of shares comprising one unit (*tangen*) of shares shall be 100.

(deleted)

CONSOLIDATED BALANCE SHEET

(As of March 31, 2021)

(Millions of Yen)

ASSETS		LIABILITIES	
Current Assets	1,188,770	Current Liabilities	885,582
Cash and deposits	341,917	Notes and accounts payable - trade	361,825
Notes and accounts receivable - trade	457,649	Electronically recorded obligations-operating	34,597
Inventories	263,066	Short-term borrowings	163,028
Other	130,098	Accrued expenses	105,282
Allowance for doubtful accounts	(3,961)	Provision for bonuses	18,573
		Provision for product warranties	18,897
		Provision for sales promotion expenses	8,433
		Provisions for restructuring	670
		Other	174,274
Non-Current Assets	738,456	Non-Current Liabilities	677,505
Property, plant and equipment	438,486	Long-term borrowings	561,893
Buildings and structures	675,865	Retirement benefit liability	83,558
Machinery, equipment and vehicles	1,162,607	Other	32,053
Tools, furniture and fixtures	190,705		
Land	83,600		
Construction in Progress	31,822		
Other	48,726		
Accumulated depreciation	(1,754,840)	Total Liabilities	1,563,087
		NET ASSETS	
Intangible Assets	45,114	Shareholders' Equity	389,624
Software	26,557	Share capital	5,000
Other	18,557	Capital surplus	109,126
		Retained earnings	289,551
		Treasury shares	(14,053)
Investments and Other Assets	254,855	Accumulated Other Comprehensive Income	(39,275)
Investment securities	164,181	Valuation difference on available-for-sale securities	16,617
Retirement benefit asset	5,584	Deferred gains or losses on hedges	1,086
Deferred tax assets	19,053	Foreign currency translation adjustment	(39,362)
Other	67,404	Remeasurements of defined benefit plans	(17,617)
Allowance for doubtful accounts	(1,368)	Stock Acquisition Rights	297
		Non-controlling Interests	13,493
		Total Net Assets	364,139
Total Assets	1,927,226	Total Liabilities and Net Assets	1,927,226

(Note) Fractions rounded down to the nearest million yen.

CONSOLIDATED STATEMENT OF INCOME

(From April 1, 2020 to March 31, 2021)

(Millions of Yen)

Net Sales		2,425,910
Cost of sales		2,004,593
Gross profit		421,316
Selling, general and administrative expenses		338,204
Operating profit		83,112
Non-Operating Income		22,590
Interest and dividend income	4,059	
Other	18,531	
Non-Operating Expenses		42,527
Interest expenses	5,511	
Other	37,015	
Ordinary Profit		63,175
Extraordinary Income		12,357
Gain on sale of non-current assets	5,630	
Gain on sale of investment securities	14	
Gain on receipt of donated non-current assets	6,675	
Gain on liquidation of subsidiaries and associates	27	
Gain on reversal of share acquisition rights	10	
Extraordinary Losses		9,090
Loss on sales and retirement of non-current assets	638	
Impairment loss	6,417	
Loss on valuation of investment securities	2,035	
Profit before income taxes		66,442
Income taxes-current		14,657
Income taxes-deferred		(442)
Profit		52,227
Profit (Loss) attributable to non-controlling interests		(1,036)
Profit attributable to owners of parent		53,263

(Note) Fractions rounded down to the nearest million yen.

CONSOLIDATED STATEMENT OF CHANGES IN NET ASSETS

(From April 1, 2020 to March 31, 2021)

(Millions of Yen)

	Shareholders' Equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	5,000	108,853	247,283	(13,993)	347,143
Changes of items during period					
Dividends of surplus			(10,995)		(10,995)
Profit attributable to owners of Parent			53,263		53,263
Changes in ownership interest of parent due to transactions with non-controlling interests		286			286
Purchase of treasury shares				(75)	(75)
Disposal of treasury shares		(13)		15	2
Net changes of items other than shareholders' equity					
Total changes of items during Period	—	272	42,268	(60)	42,480
Balance at end of current period	5,000	109,126	289,551	(14,053)	389,624

	Accumulated Other Comprehensive Income					Stock Acquisition Rights	Non-Controlling Interests	Total Net Assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance beginning of current period	8,048	846	(56,118)	(43,646)	(90,870)	293	14,392	270,959
Changes of items during period								
Dividends of surplus								(10,995)
Profit attributable to owners of Parents								53,263
Changes in ownership interest of parent due to transactions with non-controlling interests								286
Purchase of treasury shares								(75)
Disposal of treasury shares								2
Net changes of items other than shareholders' equity	8,569	240	16,756	26,028	51,594	3	(898)	50,699
Total changes of items during period	8,569	240	16,756	26,028	51,594	3	(898)	93,180
Balance at end of current period	16,617	1,086	(39,362)	(17,617)	(39,275)	297	13,493	364,139

(Notes) Fractions rounded down to the nearest million yen.

BALANCE SHEET (based on non-consolidated results)

(As of March 31, 2021)

(Millions of Yen)

ASSETS		LIABILITIES	
Current Assets	710,446	Current Liabilities	780,555
Cash and deposits	201,186	Notes payable	311
Notes receivable	1,133	Electronically recorded obligations-operating	32,465
Accounts receivable	260,046	Accounts payable-trade	178,450
Lease receivables	4,122	Short-term borrowings	187,561
Finished products	31,621	Lease liabilities	591
Work in process	14,291	Accounts payable-other	67,412
Raw materials and supplies	9,010	Accrued expenses	62,640
Advance payments	257	Income taxes payable	5,414
Prepaid expenses	30	Advances received	48,022
Accounts receivable-other	164,338	Deposits received	117,789
Other	40,658	Accrued employees' bonuses	5,800
Allowance for doubtful receivables	(16,251)	Accrued product warranty	5,455
		Provision for business loss on subsidiaries and associates	66,504
		Other	2,136
Non-Current Assets	726,428	Non-Current Liabilities	599,176
Property, plant and equipment	300,195	Long-term borrowings	561,173
Buildings	169,499	Accrued retirement benefits	32,081
Structures	3,451	Lease liabilities	3,424
Machinery and equipment	28,137	Other	2,497
Vehicles	8		
Tools, furniture and fixtures	4,241		
Land	78,489		
Lease assets	1,414		
Construction in progress	14,952		
Intangible Assets	23,707	Total Liabilities	1,379,732
Industrial property	1,720		
Rights to use facilities	25		
Software	21,961		
Investments and Other Assets	402,524	NET ASSETS	
Investment securities	101,616	Shareholders' Equity	40,487
Stocks of subsidiaries and associates	159,902	Share capital	5,000
Investments in capital of subsidiaries and associates	57,019	Capital Surplus	1,250
Long-term loans	35,250	Capital reserve	1,250
Long-term prepaid expenses	4,742	Retained Earnings	48,290
Other	44,249	Other retained earnings	48,290
Allowance for doubtful accounts	(256)	Reserve for advanced depreciation on non-current assets	2,428
		Retained earnings carried forward	45,861
		Treasury Stock	(14,053)
		Valuation and Translation Adjustments	16,366
		Valuation difference on available-for-sale securities	14,314
		Deferred gains or losses on hedges	2,051
		Stock Acquisition Rights	288
		Total Net Assets	57,142
Total Assets	1,436,875	Total Liabilities and Net Assets	1,436,875

(Note) Fractions rounded down to the nearest million yen.

STATEMENT OF INCOME (based on non-consolidated results)

(From April 1, 2020 to March 31, 2021)

(Millions of Yen)

Net Sales	1,179,143
Cost of sales	1,019,142
Gross profit	160,000
Selling, general and administrative expenses	98,406
Operating profit	61,594
Non-Operating Income	35,847
Interest and dividend income	9,398
Other	26,448
Non-Operating Expenses	34,636
Interest expenses	4,823
Provision of allowance for doubtful accounts	12,734
Other	17,078
Ordinary Profit	62,805
Extraordinary Income	17,741
Gain on sales of non-current assets	5,372
Gain on sales of investment securities	14
Gain on sales of stocks of subsidiaries and associates	813
Gain on receipt of donated non-current assets	6,129
Gain on reversal of share acquisition rights	10
Refund of Provision for loss on business of subsidiaries and associates	5,402
Extraordinary Losses	87,095
Loss on sales and retirement of non-current assets	460
Loss on valuation of investment securities	2,035
Loss on sales of stocks of subsidiaries and associates	77,922
Provision for business loss on subsidiaries and associates	6,677
Profit (Loss) before income taxes	(6,548)
Corporate income, inhabitant and business taxes	6,047
Adjustment to income taxes	41
Profit (Loss)	(12,636)

(Note) Fractions rounded down to the nearest million yen.

STATEMENT OF CHANGES IN NET ASSETS (based on non-consolidated results)

(From April 1, 2020 to March 31, 2021)

(Millions of Yen)

	Shareholders' Equity						
	Share capital	Capital Surplus			Retained Earnings		
		Capital Reserve	Other Capital Surplus	Total Capital Surplus	Other Retained Earnings		Total Retained Earnings
					Reserve for Deferred Gains on Fixed Assets	Retained Earnings Carried Forward	
Balance at beginning of current period	5,000	1,250	86,156	87,406	2,501	108,943	111,444
Changes of items during Period							
Dividends of surplus						(10,995)	(10,995)
Profit (Loss)						(12,636)	(12,636)
Purchase of treasury shares							
Disposal of treasury shares			(13)	(13)			
Reduction due to company split			(125,664)	(125,664)			
Transfer from retained earnings to capital surplus			39,521	39,521		(39,521)	(39,521)
Reversal of reserve for advanced depreciation of non-current assets					(72)	72	—
Net changes of items other than shareholders' equity							
Total changes of items during the period	—	—	(86,156)	(86,156)	(72)	(63,081)	(63,153)
Balance at end of current period	5,000	1,250	—	1,250	2,428	45,861	48,290

	Shareholders' Equity		Valuation and Translation Adjustments			Stock Acquisition rights	Total Net Assets
	Treasury Stock	Total Shareholders' Equity	Net Unrealized Holding Gains on Securities	Deferred Gains on Hedges	Total Valuation and Translation Adjustments		
Balance at beginning of current period	(13,993)	189,857	6,768	911	7,679	285	197,823
Changes of items during period							
Dividends of surplus		(10,995)					(10,995)
Profit (Loss)		(12,636)					(12,636)
Purchase of treasury stock	(75)	(75)					(75)
Disposal of treasury shares	15	2					2
Reduction due to company split		(125,664)					(125,664)
Transfer from retained earnings to capital surplus		—					
Reversal of reserve for advanced depreciation on non-current assets		—					—
Net changes of items other than owners' equity			7,546	1,140	8,686	3	8,689
Total changes of items during the period	(60)	(149,370)	7,546	1,140	8,686	3	(140,680)
Balance at end of current period	(14,053)	40,487	14,314	2,051	16,366	288	57,142

(Notes) Fractions rounded down to the nearest million yen.