

March 27, 2012
Company Name: Sharp Corporation
Representative: Mikio Katayama
President
(Code No. 6753)

Issuance of New Shares Through Third-Party Allotment Associated with Business Alliance
and Partial Transfer of Shares in Subsidiaries

Sharp Corporation (“Sharp”) hereby announces that its board of directors resolved today to: (i) form a business alliance with Hon Hai Precision Industry Co., Ltd. (“Hon Hai”); (ii) issue new shares through a third-party allotment to four companies of Hon Hai group (collectively the “Capital Increase Through Third-Party Allotment”); and (iii) enter into a capital and business alliance with four companies of Hon Hai group (the “Capital and Business Alliance”).

Sharp also hereby announces that partial transfer of shares is expected in a certain subsidiary of Sharp in association with the Capital and Business Alliance.

I. Outline of the Capital and Business Alliance

1. Purpose of and Reasons for the Capital and Business Alliance

Sharp has been endeavoring to enhance the global competitiveness by developing the spiral strategy, which aims at creating one-of-a-kind devices and products mainly with the original technology of Sharp, and at the same time, by promoting “local production for local consumption”, which means to produce products to meet consumer needs at where they will be consumed.

However, Sharp now faces with a stream of increasingly adverse industry circumstances such as the prolonged strong yen, a sharp drop in the market price of LCD TVs and other digital products resulting from ruthless market competition, and the dominance of the market by global mass-products represented by smartphones, and therefore, the urgent task for Sharp is to achieve high cost performance to win the global market competition and to correspond to new kinds of business and market swiftly.

Sharp has been dealing with Hon Hai through outsourcing the production of LCD TVs and other Sharp products, procuring components and materials, and providing Sharp devices. Also, Sharp has been dealing with FOXCONN TECHNOLOGY Co., Ltd through outsourcing the production of LCD TVs, mobile phones and other devices, and establishing a good business relationship with such Hon Hai group.

Therefore, in light of the above-mentioned industry circumstances, Sharp has decided to form the Capital and Business Alliance with Hon Hai and other three companies of Hon Hai group.

The purpose of the Capital and Business Alliance is to realize vertical integration on a global level and to expand business and improve the corporate value of Sharp through creating the world’s top one-of-a-kind products and reinforcing the value chain by establishing a strategic partnership between two globally-competitive companies, Sharp having the development capability of the one-of-a-kind devices and products and Hon Hai – an EMS giant of electronic devices having outstanding industrial technology and cost competitiveness.

In addition, FOXCONN TECHNOLOGY Co., Ltd, FOXCONN (FAR EAST) Limited (the “FOXCONN FE”) and Q-Run Holdings Limited (the “Q-Run”) have capital ties with Hon Hai, whereas FOXCONN FE is a wholly-owned subsidiary of Hon Hai and Q-Run is a wholly-owned subsidiary of FOXCONN TECHNOLOGY Co., Ltd. FOXCONN TECHNOLOGY Co., Ltd, is engaged in Original Design Manufacturing(ODM) business of computer, communication

device and other home electric appliances, and FOXCONN FE is engaged in investment operation of Hon Hai group, and Q-Run is engaged in investment operation of FOXCONN TECHNOLOGY Co., Ltd, group.

2. Details of the Capital and Business Alliance

The details of the Capital and Business Alliance are as follows:

- (1) Stabilization of large-size LCD Business by making practical use of Hon Hai's purchasing power.
 - Sharp and Hon Hai promote the enhancement of cost competitiveness and profit performance through maintaining the high facility operation rate of Sharp Display Corporation ("SDP")(Sakai Factory) based on the demand both from Sharp and Hon Hai as well as the business expansion of Hon Hai in ODM of TVs and monitors. Following this plan, as early as next fiscal year, Hon Hai shall start to purchase LCD panel modules produced by SDP and finally, Hon Hai shall purchase up to a half of it.
- (2) Improvement of Profitability by Reinforcing Cost Competitiveness of LCD TVs
 - The production of LCD TVs jointly by Sharp and Hon Hai on one of the largest scales in the world leads to enjoying the advantage of large production scale and achieving high cost competitiveness on a global level.
- (3) Implementation of the Capital Increase Through Third-Party Allotment
 - Sharp will issue 50,000,000, 8,029,000, 31,143,000 and 32,477,000 new shares each to Hon Hai, FOXCONN TECHNOLOGY Co., Ltd, FOXCONN FE and Q-Run (the "Allottee ") (4.50%, 0.72%, 2.80% and 2.92% of 1,110,699,887 shares, the total of issued common stock of Sharp as of February 29, 2012). No director from Hon Hai is scheduled to be dispatched as of today in association with the Capital and Business Alliance.

3. Profile of Partner of the Capital and Business Alliance

As to the profile of Hon Hai, FOXCONN TECHNOLOGY Co., Ltd, FOXCONN FE and Q-Run, please refer to "II.6. Reasons for Selecting the Allottees" hereof.

4. Schedule of the Capital and Business Alliance

- (1) Date of resolution on the Capital and Business Alliance at the Board of Directors: March 27, 2012
- (2) Execution of agreement on the Capital and Business Alliance and the Capital Increase Through Third-Party Allotment: March 27, 2012

II. Issuance of New Shares Through Third-Party Allotment

1. Outline of Offering

(1) Terms of Payment	May 31, 2012 through March 26, 2013 *
(2) Number of New Shares to be Issued	121,649,000 shares
(3) Issue Price	550 yen per share
(4) Amount of Proceeds	66,906,950,000 yen
(5) Method of Subscription or Allotment (Expected Allottee)	Third-party allotment Hon Hai Precision Industry Co., Ltd. 50,000,000 shares FOXCONN TECHNOLOGY Co., Ltd 8,029,000 shares FOXCONN (FAR EAST) Limited 31,143,000 shares Q-Run Holdings Limited 32,477,000 shares

(6) Others	* Payment is to be made promptly after the security registration statement comes into effect pursuant to the Financial Instruments and Exchange Act of Japan and permits and approvals from authorities of relevant countries necessary to implement the Capital Increase Through Third-Party Allotment (notification to and permission from the competition authorities of relevant foreign countries with respect to business combination) are obtained.
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(Note 1) Sharp will not grant to the above new shares any voting rights to exercise at its ordinary general shareholders meeting scheduled in June, 2012.

(Note 2) Issue Price means the amount paid pursuant to the Company Act.

2. Purpose of and Reason for Offering

As mentioned above in “I. Outline of the Capital and Business Alliance,” Sharp and Hon Hai have agreed to form the capital and business alliance, with the intension mainly to increase the global cost competitiveness and to accelerate the expansion of overseas operations. Sharp considers that by combining its product development capabilities of one-of-a-kind devices with the cost competitiveness of Hon Hai, one of the world’s largest companies in the field of the electronic manufacturing service (EMS), such collaboration will contribute to the improvement of corporate value by creating world-class one-of-a-kind products and enhancing the value-chain.

3. Amount, Intended Use and Scheduled Timing of Expenditure of Proceeds

(1) Amount of Proceeds

(1)	Total Amount to be Paid	66,906,950,000 yen
(2)	Approximate Costs of Issuance	440,000,000 yen
(3)	Approximate Net Proceeds	66,466,950,000 yen

(Note 1) The approximate costs of issuance do not include consumption tax.

(Note 2) The major breakdown of the approximate costs of issuance is registration tax, legal fee, fee relating stock exchange compliance, etc.

(2) Intended Use of Proceeds

The approximate net proceeds of ¥66,466,950,000 set out above is planned to be used as follows: (The proceeds will be managed in a bank account until the proceeds are used for such purposes.)

Name of Segment	Amount	Main Use and Purpose of Capital Investments	Scheduled Timing of Expenditure
Electronic Components	66,467 million yen	Enhancement and rationalization of manufacturing facilities of LCD related to mobile devices as well as introduction of new technology of LCD, etc.	May 2012 through April 2014

4. Rationale for Use of Proceeds

Electronics business now faces with a stream of increasingly adverse industry circumstances such as developments towards digitalization, globally increased competition and the resulting sharp drop in the market price of digital products, and therefore, Sharp has to urgently cope with the changing circumstances.

In order to fight in the global market with severe competition, recognizing necessity of continuous introduction of products that meets customers demand in a timely manner, Sharp has decided, by the Capital and Business Alliance with Hon Hai having outstanding industrial technology and cost competitiveness as the world’s top electronic devices EMS manufacturer, to realize integration on a global level and to amalgamate Sharp’s development capability of the one-of-a-kind devices and products and Hon Hai group’s high manufacturing capability in implementation and cost competitiveness.

The proceeds procured from the Capital Increase Through Third-Party Allotment will be allocated for the enhancement

and rationalization of manufacturing facilities of LCDs for the purpose of meeting the demand of mobile devices in the global market, and for the investments in connection with the implementation of new technologies aimed at expanding business operations of LCDs, in order to speedily supply cost competitive devices and products to the global market by combining Sharp's technology capability and Hon Hai group's manufacturing capability.

By Sharp with strong brand and technology and Hon Hai with strong capability in reducing cost becoming partners, Sharp considers profitability and competitiveness of the Sharp group companies in the medium- and long-term will be fostered.

Therefore, the proceeds to be used, in connection with the Capital Increase Through Third-Party Allotment, will contribute to the enhancement of its corporate value and shareholders profit in the medium- to long-term, and thus, Sharp considers that such use of the procured proceeds is reasonable.

5. Rationale for Conditions of Issuance

(1) Basis of Calculation of Share Price and Details Thereof

The share price was determined to be 550 yen by referring to 528 yen, the average closing price of Sharp's common stocks on the Tokyo Stock Exchange, Inc. during the one-month period ending March 26, 2012, the business day immediately preceding the day of the meeting of the board of directors where the resolution was adopted with respect to the Capital and Business Alliance.

Sharp adopted the average closing price during the one-month period ending immediately preceding business day, taking into consideration the factors, such as the disclosure of information and press report with regard to Sharp, leading to the fluctuation in the value of the share price, and the fact that industry trends and market environment vary day-by-day, and consequently, Sharp determined that the use of the average price of the share during the immediately preceding period will appropriately reflect its corporate value.

The said share price (¥550) represents a 16.03% premium against the closing price of the shares of common stock of Sharp on March 26, 2012 (¥474), the business day immediately preceding the day of the meeting of the board of directors where the resolution was adopted with respect to the Capital and Business Alliance; a 4.17% premium against the average closing price (¥528) per share during the one-month period prior to the immediately preceding business day; a 5.98% discount against the average closing price (¥585) per share for the three-month period prior to the immediately preceding business day; and a 14.86% discount against the average closing price (¥646) per share for the six-month period prior to the immediately preceding business day. The said share price is in accordance with the Guideline for the Issuance of New Shares through Third-Party Allotment by the Japan Securities Dealers Association.

Sharp considers that the said share price is reasonable, and that it does not fall under the preferred issuance of shares. All of its 4 corporate auditors (of which 3 are outside auditors) who were present at the meeting of the board of directors with respect to the Capital and Business Alliance have expressed their views that the said share price does not fall under the preferred issuance of shares and thus lawful.

(2) Rationale for Determination that Number of Shares to be Issued and the Level of Dilution of Shares are Reasonable

The number of shares of common stock of Sharp which will be allotted to the Allottees through the Capital Increase Through Third-Party Allotment is 121,649,000 shares, and the ratio, as against the total number of issued shares of common stock of Sharp 1,110,699,887 shares as of September 30, 2011, will be 10.95% (the ratio against the total number of voting rights, 1,095,449, will be 11.10%).

However, as mentioned above in "I. Outline of the Capital and Business Alliance," "1. Purpose of and Reasons for the Capital and Business Alliance" and "3. (2) Intended Use of Proceeds," the proceeds procured from the Capital Increase Through Third-Party Allotment will be allocated for the enhancement and rationalization of manufacturing facilities of LCD for the purpose of meeting the demand of mobile devices in the global market, and for the investments in connection with the implementation of new technologies aimed at expanding business operations of LCD, resulting in the increase in profitability and competitiveness of the Sharp group companies in the medium- and long-term. Furthermore, such proceeds will also contribute to the enhancement of its corporate value and shareholders profit in the medium- to long-term, and thus, Sharp considers that the number of shares to be issued and the level of dilution of shares are reasonable.

6. Reasons for Selecting the Allottees, etc.

(1) Outline of the Allottees

(1)	Name	Hon Hai Precision Industry Co., Ltd		
(2)	Location	No.66, Zhongshan RD., Tucheng Dist., New Taipei City 236, Taiwan (R.O.C.)		
(3)	Name and Title of Representative	Chairman : Terry Tai-Ming Gou		
(4)	Purpose of Business	Electronics manufacturing service		
(5)	Capital	106,890,966,630 TWD (as of December 31, 2011) (When 1 TWD is converted with the closing price of ¥ 2.54, as of December 30, 2011, the amount will be 271,503 million yen.)		
(6)	Date of Establishment	February 20, 1974		
(7)	Number of Issued Shares	10,689,096,663 shares (as of December 31, 2011)		
(8)	Fiscal Year End	December		
(9)	Number of Employees	6,669 (as of December 31, 2011)		
(10)	Major Shareholder and Ratio of Shareholding	Terry Tai-Ming Gou 12.02%		
(11)	Relationships between the parties			
	Capital Relationship	Sharp and the relevant company have no significant capital relationship. In addition, any related parties and affiliates of Sharp and those of the relevant company have no significant capital relationship.		
	Personnel Relationship	Sharp and the relevant company have no significant personnel relationship. In addition, any related parties and affiliates of Sharp and those of the relevant company have no significant personnel relationship.		
	Transaction Relationship	Sharp and the relevant company have business relationship in respect to the manufacture of Sharp products including LCD televisions and provision of Sharp's devices to the relevant company. In addition, Sharp has a licensing agreement with Chimei Innolux Corporation, a group company of the relevant company, to use its patents with respect to LCD devices.		
	Status as a Related Party	The relevant company does not belong to Sharp's related parties. In addition, any related parties and affiliates of the relevant company do not belong to any related parties of Sharp.		
(12)	Results of Operations and Financial Conditions for Previous Three Fiscal Years			
Fiscal Year Ended	December 2008	December 2009	December 2010	
Consolidated Net Assets	1,089,903	1,380,460	1,421,732	
Consolidated Total Assets	2,428,508	2,971,816	3,822,693	
Consolidated Net Assets per Share (¥)	146.99	160.90	147.14	
Consolidated Proceeds of Sale	5,391,129	5,697,301	8,299,261	
Consolidated Operating Profit	195,158	242,786	238,538	
Consolidated Net Income	156,158	222,113	208,985	
Consolidated Net Income per Share of Common Stock(¥)	20.56	25.71	22.18	
Dividend per Share (¥)	7.19	9.31	5.54	

(Expressed in millions of Japanese Yen unless otherwise specified)

(1)	Name	FOXCONN TECHNOLOGY Co., Ltd		
(2)	Location	No.3-2, Zhongshan RD., Tucheng Dist., New Taipei City 236, Taiwan(R.O.C.)		
(3)	Name and Title of Representative	President : Lin, Don-Lang		
(4)	Purpose of Business	Computer terminal display and related components manufacturing sales		
(5)	Capital	11,727,199,810 TWD (as of December 31, 2011) (When 1 TWD is converted with the closing price of ¥ 2.54, as of December 30, 2011, the amount will be 29,787 million yen.)		
(6)	Date of Establishment	April 26, 1990		
(7)	Number of Issued Shares	1,172,719,981 shares (as of December 31, 2011)		
(8)	Fiscal Year End	December		
(9)	Number of Employees	277 (as of December 31, 2011)		
(10)	Major Shareholder and Ratio of Shareholding	Hon Hai Precision Industry Co., Ltd 10.09%		
(11)	Relationships between the parties			
	Capital Relationship	Sharp and the relevant company have no significant capital relationship. In addition, any related parties and affiliates of Sharp and those of the relevant company have no significant capital relationship.		
	Personnel Relationship	Sharp and the relevant company have no significant personnel relationship. In addition, any related parties and affiliates of Sharp and those of the relevant company have no significant personnel relationship.		
	Transaction Relationship	Sharp and the relevant company have business relationship in respect to the manufacture of Sharp products including LCD televisions and mobile phone devices.		
	Status as a Related Party	The relevant company does not belong to Sharp's related parties. In addition, any related parties and affiliates of the relevant company do not belong to any related parties of Sharp.		
(12)	Results of Operations and Financial Conditions for Previous Three Fiscal Years			
Fiscal Year Ended	December 2008	December 2009	December 2010	
Consolidated Net Assets	102,578	138,825	139,444	
Consolidated Total Assets	248,923	279,907	256,276	
Consolidated Net Assets per Share (¥)	120.98	142.81	125.30	
Consolidated Proceeds of Sale	441,969	450,909	378,586	
Consolidated Operating Profit	22,875	23,142	26,214	
Consolidated Net Income	17,142	18,210	21,069	
Consolidated Net Income per Share of Common Stock(¥)	20.23	18.73	18.97	
Dividend per Share (¥)	6.08	6.40	4.15	

(Expressed in millions of Japanese Yen unless otherwise specified)

(1)	Name	FOXCONN (FAR EAST) Limited		
(2)	Location	Scotia Centre, 4th Floor, P.O.Box 2804, George Town, Grand Cayman, Cayman Islands		
(3)	Name and Title of Representative	Directors : Yu Huang, Chiu-Lian, Lee Jin-Ming		
(4)	Purpose of Business	Investment holdings		
(5)	Capital	2,652,946,796 USD (as of December 31, 2011) (When 1 USD is converted with the closing price of ¥ 76.91, as of December 30, 2011, the amount will be 204,038 million yen.)		
(6)	Date of Establishment	January 25, 1996		
(7)	Number of Issued Shares	2,652,946,796 (as of December 31, 2011)		
(8)	Fiscal Year End	December		
(9)	Number of Employees	-		
(10)	Major Shareholder and Ratio of Shareholding	Hon Hai Precision Industry Co., Ltd 100%		
(11)	Relationships between the parties			
	Capital Relationship	Sharp and the relevant company have no significant capital relationship. In addition, any related parties and affiliates of Sharp and those of the relevant company have no significant capital relationship.		
	Personnel Relationship	Sharp and the relevant company have no significant personnel relationship. In addition, any related parties and affiliates of Sharp and those of the relevant company have no significant personnel relationship.		
	Transaction Relationship	Sharp and the relevant company have no significant transaction relationship. In addition, any related parties and affiliates of Sharp and those of the relevant company have no significant transaction relationship.		
	Status as a Related Party	The relevant company does not belong to Sharp's related parties. In addition, any related parties and affiliates of the relevant company do not belong to any related parties of Sharp.		
(12)	Results of Operations and Financial Conditions for Previous Three Fiscal Years			
	Fiscal Year Ended	December 2008	December 2009	December 2010
	Net Assets	675,993	896,530	1,012,134
	Total Assets	772,706	994,119	1,096,824
	Net Assets per Share (¥)	1,029.67	896.81	537.01
	Proceeds of Sale	0	2,605	2,028
	Operating Profit or Operating Loss	-2,793	-30	-71
	Net Income	107,227	149,964	121,356
	Net Income per Share of Common Stock (¥)	163.15	149.78	64.08
	Dividend per Share (¥)	2.36	-	-

(Expressed in millions of Japanese Yen unless otherwise specified)

(1)	Name	Q-Run Holdings Limited		
(2)	Location	Scotia Centre, 4th Floor, P.O.Box 2804, George Town, Grand Cayman, Cayman Islands		
(3)	Name and Title of Representative	Director : Lee Han-Ming		
(4)	Purpose of Business	Investment holdings		
(5)	Capital	480,077,600 USD (as of December 31, 2011) (When 1 USD is converted with the closing price of ¥ 76.91, as of December 30, 2011, the amount will be 36,923 million yen.)		
(6)	Date of Establishment	January 6, 1999		
(7)	Number of Issued Shares	480,077,600 (as of December 31, 2011)		
(8)	Fiscal Year End	December		
(9)	Number of Employees	-		
(10)	Major Shareholder and Ratio of Shareholding	FOXCONN TECHNOLOGY Co., Ltd 100.00%		
(11)	Relationships between the parties			
	Capital Relationship	Sharp and the relevant company have no significant capital relationship. In addition, any related parties and affiliates of Sharp and those of the relevant company have no significant capital relationship.		
	Personnel Relationship	Sharp and the relevant company have no significant personnel relationship. In addition, any related parties and affiliates of Sharp and those of the relevant company have no significant personnel relationship.		
	Transaction Relationship	Sharp and the relevant company have no significant transaction relationship. In addition, any related parties and affiliates of Sharp and those of the relevant company have no significant transaction relationship.		
	Status as a Related Party	The relevant company does not belong to Sharp's related parties. In addition, any related parties and affiliates of the relevant company do not belong to any related parties of Sharp.		
(12)	Results of Operations and Financial Conditions for Previous Three Fiscal Years			
Fiscal Year Ended	December 2008	December 2009	December 2010	
Consolidated Net Assets	93,923	91,760	98,857	
Consolidated Total Assets	190,664	214,766	217,794	
Consolidated Net Assets per Share (¥)	197.60	190.71	206.04	
Consolidated Proceeds of Sale	198,346	206,153	208,164	
Consolidated Operating Profit	11,235	8,659	11,672	
Consolidated Net Income	10,745	11,868	16,423	
Consolidated Net Income per Share of Common Stock(¥)	22.66	24.19	34.07	
Dividend per Share (¥)	-	-	-	

(Expressed in millions of Japanese Yen unless otherwise specified)

(Note 1) The amounts indicated above are calculated with the exchange rates as follows: for the fiscal year of 2008, 2.764 yen equivalent to 1 TWD as of December 31, 2008; for the fiscal year 2009, 2.908 yen as of December 31, 2009, for the fiscal year of 2010, 2.769 yen as of December 31, 2010, and are calculated with the exchange rates as

follows: for the fiscal year of 2008, 90.64 yen equivalent to 1 USD as of December 31, 2008; for the fiscal year 2009, 93.03 yen as of December 31, 2009, for the fiscal year of 2010, 81.12 yen as of December 31, 2010.

(Note 2) The stocks of Hon Hai and FOXCONN TECHNOLOGY Co., Ltd among the Allottees are listed in the Taiwan Stock Exchange and Sharp has obtained letters from Hon Hai and FOXCONN TECHNOLOGY Co., Ltd respectively representing that each Allottee, its board members, or subsidiaries have no ties with any antisocial forces. FOXCONN FE is a wholly-owned subsidiary of Hon Hai, and Sharp has obtained letters from FOXCONN FE as well as Hon Hai representing that neither FOXCONN FE nor its board members and subsidiaries have no ties with any antisocial forces. Q-Run is a wholly owned subsidiary of FOXCONN TECHNOLOGY Co., Ltd., and Sharp has obtained letters from Q-Run as well as FOXCONN TECHNOLOGY Co., Ltd representing that neither Q-Run nor its board members and subsidiaries have no ties with any antisocial forces. Therefore, Sharp has determined that the Allottee, its board members, or subsidiaries have no ties with any antisocial forces and has submitted the certificates of confirmation to that effect to Tokyo Stock Exchange, Inc., Osaka Securities Exchange Co., Ltd., Nagoya Stock Exchange, Inc., Fukuoka Stock Exchange, and Sapporo Stock Exchange.

(2) Reasons for Selecting the Allottee

As to reasons for selecting the Allottee, please refer to the above “I-1 Purpose of and Reasons for the Capital and Business Alliance”.

(3) Policy of the Allottee for Holding Shares of Sharp

The Allottees have confirmed that it plans to hold the shares of common stock of Sharp to be allotted for the medium- and long-term of at least two years or more.

Sharp and the Allottees have agreed in the agreements on stock subscription that if any of the Allottees assigns the shares of Sharp to third parties after two years have passed since the payment date for this Capital Increase Through Third-Party Allotment (limited to the assignment of the shares of Sharp to a specific person in an aggregate number of shares exceeding 2% of the total outstanding shares of Sharp), such Allottee shall give a prior notice to Sharp and discuss its terms and conditions and assignees with Sharp.

Sharp will obtain a written confirmation from each of the Allottees which states that, if all or part of the new shares to be allotted are assigned by the Allottee within two years of the issuance of the new shares, (i) a report on such assignment shall be made to Sharp, and (ii) the Allottee shall agree that the substance of the relevant report shall be reported by Sharp to the Tokyo Stock Exchange, Inc., Osaka Securities Exchange Co., Ltd., Nagoya Stock Exchange, Inc., Fukuoka Stock Exchange, and Sapporo Stock Exchange, and that the substance of the relevant report shall be made available to the general public.

(4) Details of Confirmation of Payment Capacity of Allottee in Respect of Payment for the Third-Party Allotment

Sharp has checked the latest financial statement of TSE listed companies, namely Hon Hai and FOXCONN TECHNOLOGY. With regard to FOXCONN FE, the wholly-owned subsidiary of Hon Hai, Hon Hai represents that FOXCONN FE has the sufficient financial ability for the payment. With regard to Q-Run, the wholly owned subsidiary of FOXCONN TECHNOLOGY, FOXCONN TECHNOLOGY confirms that Q-Run has the sufficient financial ability for the payment through utilizing finance from FOXCONN TECHNOLOGY group. In addition, Sharp has received the certificates showing the balance of each bank account issued by Standard Chartered Bank (Taiwan) and Land Bank of Taiwan, which are the correspondent financial institutions of Hon Hai, Taishin International Bank, Bank SinoPac, Taipei Fubon Bank, Chinatrust Commercial Bank and China CITIC Bank, which are the correspondent financial institutions of FOXCONN TECHNOLOGY Co., Ltd. group. Therefore, Sharp has confirmed that Hon Hai and FOXCONN TECHNOLOGY have necessary and sufficient financial ability, and that FOXCONN FE and Q-Run have necessary and sufficient financial ability by utilizing FOXCONN TECHNOLOGY and Hon Hai group’s financial ability and Sharp considers that there should be no problem for payment for Capital Increase Through Third-Party Allotment.

7. Major Shareholders and Their Shareholding Ratio after Subscription

Before Offering (as of September 30, 2011)		After Offering	
Nippon Life Insurance Company	5.01%	Nippon Life Insurance Company	4.52%
Meiji Yasuda Life Insurance Company	4.12%	Hon Hai Precision Industry Co., Ltd.	4.06%
Mizuho Corporate Bank, Ltd.	3.77%	Meiji Yasuda Life Insurance Company	3.71%
Japan Trustee Services Bank, Ltd. (Trust Account)	3.77%	Mizuho Corporate Bank, Ltd.	3.40%
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	3.75%	Japan Trustee Services Bank, Ltd. (Trust Account)	3.40%
The Master Trust Bank of Japan, Ltd. (Trust Account)	2.78%	The Bank of Tokyo-Mitsubishi UFJ, Ltd.	3.38%
The Dai-ichi Life Insurance Company, Limited	2.76%	Q-Run Holdings Limited	2.64%
Mitsui Sumitomo Insurance Company, Limited	2.76%	FOXCONN (FAR EAST) Limited	2.53%
Sompo Japan Insurance Inc.	2.42%	The Master Trust Bank of Japan, LTD. (Trust Account)	2.50%
Sharp Employee's Shareholding Association	2.20%	The Dai-ichi Life Insurance Company, Limited	2.49%

(Note) Shareholding ratio after subscription is based on the list of shareholders as of September 30 2011, and reflects the change by the Capital Increase Through the Third-Party Allotment.

8. Future Prospects

The impact of the Capital and Business Alliance on the Sharp's consolidated earnings for the fiscal year ending March 2012 will be small.

9. Matters concerning Procedures in the Code of Corporate Conduct

Sharp is not required to obtain the opinion of an independent third party or to confirm the intent of each shareholder concerning the Capital Increase Through Third-Party Allotment, as provided for in Rule 432 of the Securities Listing Regulations by the Tokyo Stock Exchange, Inc., Rule 2 of the Code of Corporate Conduct by Osaka Securities Exchange Co., Ltd., Rule 34 of the Regulations regarding timely disclosure of corporate information of listed securities' issuers by Nagoya Stock Exchange, Inc., Rule 2 of the Code of Corporate Conduct by Fukuoka Stock Exchange, and Rule 2 of the Code of Corporate Conduct by Sapporo Stock Exchange since (i) the dilution rate of the Capital Increase Through Third-Party Allotment is less than 25% and (ii) the Capital Increase Through Third-Party Allotment does not involve any change in the controlling shareholder.

10. Results of Operations for and Status of Equity Finance Executed in Previous Three Fiscal Years

(1) Results of Operations for Previous Three Fiscal Years (Consolidated)

Fiscal Year Ended	March 2009	March 2010	March 2011
Sales	2,847,227 million yen	2,755,948 million yen	3,021,973 million yen
Operating Profit or Operating Loss	-55,481 million yen	51,903 million yen	78,896 million yen
Net Income or Net Loss	-125,815 million yen	4,397 million yen	19,401 million yen
Net Income or Net Loss per Share	-114.33 yen	4.00 yen	17.63 yen
Dividend per Share	21.00 yen	17.00 yen	17.00 yen
Net Assets per Share	944.24 yen	949.19 yen	932.46 yen

(2) Current Number of Issued Shares and Dilutive Shares (as of February 29, 2012)

	Number of Shares	Ratio to Total Number of Issued Shares
Number of Issued Shares	1,110,699,887 shares	100.0%
Number of Dilutive Shares at Current Conversion Price (exercise price)	79,018,964 shares	7.1%
Number of Dilutive Shares at Minimum Conversion Price (exercise price)	—	—
Number of Dilutive Shares at Maximum Conversion Price (exercise price)	—	—

(3) Recent Stock Prices

1. Stock Prices for Previous Three Fiscal Years

Fiscal Year Ended	March 2009	March 2010	March 2011
Opening	1,664 yen	799 yen	1,172 yen
High	1,910 yen	1,253 yen	1,260 yen
Low	554 yen	771 yen	626 yen
Closing	776 yen	1,169 yen	825 yen

(Note) All prices indicated above are trading prices on the first section of the Tokyo Stock Exchange.

2. Stock Prices for Previous Six Months

	October	November	December	January	February	March
Opening	643 yen	729 yen	785 yen	677 yen	636 yen	578 yen
High	744 yen	782 yen	788 yen	690 yen	650 yen	580 yen
Low	614 yen	680 yen	659 yen	621 yen	505 yen	467 yen
Closing	735 yen	771 yen	673 yen	656 yen	572 yen	474 yen

(Note 1) All prices indicated above are trading prices on the first section of the Tokyo Stock Exchange

(Note 2) The stock prices in March 2012 indicated above are the stock prices as of March 26, 2012.

3. Stock Prices on the Business Day Immediately Preceding Date of Resolution Authorizing the Issuance

	March 26, 2012
Opening	477 yen
High	482 yen
Low	467 yen
Closing	474 yen

(4) Equity Finance for Previous Three Years

Not applicable.

11. Terms and Conditions of Issuance

(1)	Number of New Shares to be issued	121,649,000 shares
(2)	Issuing Price	550 yen per share
(3)	Total Amount of Issuing Price	66,906,950,000 yen

(4)	Amount of Stated Capital to be Increased	33,453,475,000 yen
(5)	Amount of Additional Paid-in Capital to be Increased	33,453,475,000 yen
(6)	Method of Subscription and Allotment (Expected Allottee)	Third-Party Allotment (Hon Hai Precision Industry Co., Ltd.50,000,000 shares, FOXCONN TECHNOLOGY Co., Ltd. 8,029,000 shares, FOXCONN (FAR EAST) Limited 31,143,000 shares, Q-Run Holdings Limited 32,477,000 shares)
(7)	Terms of Payment	May 31, 2012 through March 26, 2013
(8)	Others	*As stated in the above II-1-(6), payment shall be made immediately after the securities registration statement filed under the Financial Instruments and Exchange Act comes into effect, and notification to and permission from the competition authorities of relevant foreign countries with respect to business combination and the permission and authorization from authorities of relevant countries necessary for execution of the Capital Increase Through Third-Party Allotment are granted.

III. Transfer of Shares in a Subsidiary

Sharp will also announce transfer of the part of a subsidiary's shares in relation to the Capital and Business Alliance. By this, Mr. Terry Tai-Ming Gou, the representative of Hon Hai, will inject capital to such subsidiary and concrete cooperation will be made aimed in the Capital and Business Alliance.

1. Outline of Subsidiary whose shares are transferred

(1)	Name	Sharp Display Products Corporation	
(2)	Location	1 Takumi-cho, Sakai-ku, Sakai, Osaka	
(3)	Name and Title of Representative	President : Hiroshi Saji	
(4)	Principal Business	Production and sales of LCD panels and LCD modules	
(5)	Capital	15,000 million yen	
(6)	Date of Establishment	April 1, 2009	
(7)	Major Shareholders and Their Shareholding Ratio	Sharp Corporation	92.96%
		Sony Corporation	7.04%
(8)	Relationship between the Sharp and the relevant company	Capital Relationship	Sharp's consolidated subsidiary
		Personal Relationship	2 directors of Sharp serve.
		Transaction Relationship	Sharp and the related companies have business relationships with the relevant company regarding procurement, etc. of LCD panels and LCD modules.

2. Outline of Assignee of Shares

(1)	Name	Terry Tai-Ming Gou
(2)	Relationship between the Sharp and the relevant person	Sharp and Hon Hai which Terry Tai-Ming Gou serves as a CEO have business relationship in respect to the manufacture of Sharp products including LCD televisions, and provision of Sharp's devices to the relevant company.

3. Number and Amount of Shares to be Assigned, and Status of Shares Held before and after Assignment

(1) Number of Shares Held Before Change	2,640,000 shares (Number of voting rights : 2,640,000 units) (Holding rate : 92.96%)
(2) Number of Shares Assigned	1,320,000 shares (Number of voting rights : 1,320,000 units) (Ratio to total number of issued shares : 46.48%) (Transfer price : 66,000 million yen)
(3) Number of Shares Held After Change	1,320,000 shares (Number of voting rights : 1,320,000 units) (Holding rate : 46.48%)

4. Schedule

(1) Board resolution	March 27, 2012
(2) Term of Assignment	May 31, 2012 through March 26, 2013
(3) Others	Assignment is to be made promptly after permits and approvals from authorities of relevant countries (notification to and permission from the competition authorities of relevant foreign countries with business combination) are obtained.

5. Future Prospects

As to the future prospects, please refer to the above "II-8 Future Prospects".

End