

May 12, 2025

To Whom It May Concern

Company Name: Sharp Corporation
Representative: Masahiro Okitsu
President Chief Executive Officer
(Code No. 6753; Prime Market of TSE)

Notice Regarding Allotment of Stock Options (Stock Acquisition Rights)

Sharp Corporation (hereinafter “Sharp”) announces that it passed a resolution at the Board of Directors meeting held today to submit a proposal, at the 131st Annual General Shareholders’ Meeting to be held on June 27, 2025, that Sharp be authorized to allot Stock Acquisition Rights as stock options to Directors, Executives and employees (hereinafter collectively “Officers and Employees”) of Sharp and its subsidiaries (hereinafter collectively “the Company Group”), pursuant to Articles 236, 238 and 239 of the Companies Act of Japan, and to delegate to its Board of Directors the determination of the subscription requirements of such Stock Acquisition Rights. The Subscription Requirements related to the allotment of the Stock Acquisition Rights to Officers and Employees of the Company Group will be determined at a Board of Directors meeting to be held in the future.

1. Purpose of adopting a stock option plan, and the reason that the issuance under particularly favorable conditions is required
Sharp has decided to implement a stock option plan and will issue stock acquisition rights as stock options as one of the types of remuneration for Directors, Executives and Employees of the Company Group. This will help Sharp retain and recruit human resources required for the Sharp’s revitalization and growth, and will serve as an incentive to increase their motivation to participate in the Company Group’s business management and contribute to higher performance, as well as the increased corporate value of Sharp.
2. Terms and Conditions for the Issuance of Stock Acquisition Rights
 - (1) Persons to whom Stock Acquisition Rights will be allotted
Directors, Executives and Employees of the Company Group.
 - (2) Class and number of shares to be issued upon exercise of Stock Acquisition Rights
The class of shares to be issued upon the exercise of stock acquisition rights shall be common stock of Sharp, and the number of shares to be issued shall not exceed 9,750,000.
If Sharp splits its common stock (including allotment of its common stock without compensation; hereinafter the same shall apply) or consolidates its common stock, the number of shares to be issued upon the exercise of stock acquisition rights shall be adjusted in accordance with the following formula; provided that such adjustment shall be made to those that remain unexercised

at the time of such adjustment, and any fraction less than one share arising as a result of such adjustment shall be rounded down.

$$\begin{array}{rcc} \text{Number of shares} & & \text{Number of shares} \\ \text{after adjustment} & = & \text{before adjustment} \end{array} \times \begin{array}{l} \text{Ratio of split or} \\ \text{consolidation} \end{array}$$

If Sharp conducts a merger, company split, share exchange, share transfer or the like that makes it necessary to adjust the number of shares, the number of shares shall be adjusted within a reasonable range, taking into account the conditions of the merger, company split, share exchange, share transfer or the like.

(3) Total number of Stock Acquisition Rights to be issued

Not more than 97,500 units of stock acquisition rights shall be issued.

One hundred shares shall be issued per unit of stock acquisition rights; provided that, in the event of any adjustment of the number of shares stipulated in (2) above, the number of shares to be issued per unit of stock acquisition rights shall be adjusted accordingly.

The date of allotment of stock acquisition rights shall be determined by the Board of Directors, and the Board of Directors may allot the stock acquisition rights at a plurality of times within the scope of the aforementioned limit.

(4) Cash payment for Stock Acquisition Rights

No cash payment is required for stock acquisition rights.

(5) Value of assets to be contributed upon the exercise of Stock Acquisition Rights

The value of assets to be contributed upon the exercise of each stock acquisition rights shall be the value per share to be issued by the exercise of each stock acquisition rights (hereinafter “Exercise Value”) multiplied by the number of shares to be issued upon the exercise of one unit of stock acquisition rights.

The Exercise Value shall be the closing price on the Tokyo Stock Exchange on the day immediately prior to the date of the resolution by the Board of Directors of Sharp determining the Subscription Requirements of the stock acquisition rights or the closing price on the date of the allotment (if no closing price is available on such day, then the closing price on the trading day immediately preceding such day), whichever is higher.

If Sharp splits its common stock or consolidates its common stock after the issuance of stock acquisition rights, the Exercise Value shall be adjusted in accordance with the following formula, and any fraction less than one yen arising as a result of such adjustment shall be rounded up.

$$\begin{array}{rcc} \text{Exercise Value} & & \text{Exercise Value} \\ \text{after adjustment} & = & \text{before adjustment} \end{array} \times \frac{1}{\begin{array}{l} \text{Ratio of stock split or} \\ \text{stock consolidation} \end{array}}$$

If shares to be offered are issued at a below-market price (including issuance of shares by allotment of shares without contribution and delivery of treasury shares, but excluding exercise of stock acquisition rights (including bonds with stock acquisition rights) and conversion of securities convertible into common stock of Sharp), the Exercise Value shall be adjusted in accordance with the following formula, and any fraction less than one yen arising as a result of such adjustment shall be rounded up. The “Number of shares already issued” in the above formula shall be the total number of issued shares of Sharp less the number of treasury shares held by Sharp. If Sharp

disposes of treasury shares, the “Number of shares newly issued” and the “Stock price before new issuance” shall be respectively replaced to read as the “Number of treasury shares disposed of” and the “Stock price before disposal.”

$$\begin{array}{ccccccc} \text{Exercise} & & \text{Exercise} & & \text{Number} & & \text{Number of} & & \text{Amount paid in} \\ \text{Value} & & \text{Value} & & \text{of shares} & & \text{shares} & \times & \text{per share} \\ \text{after} & = & \text{before} & \times & \text{already} & + & \text{newly issued} & & \\ \text{adjust-} & & \text{adjust-} & & \text{issued} & & \text{Stock price before new issuance} & & \\ \text{ment} & & \text{ment} & & & & \hline & & & & \text{Number of shares} & + & \text{Number of shares} & & \\ & & & & \text{already issued} & & \text{newly issued} & & \end{array}$$

If Sharp conducts a merger, company split, share exchange, share transfer or the like that makes it necessary to adjust the Exercise Value, the Exercise Value shall be adjusted within a reasonable range, taking into account the conditions of the merger, company split, share exchange, share transfer or the like.

(6) Exercise period of Stock Acquisition Rights

The exercise period shall be from the date on which two (2) years have passed from the date of allotment of the stock acquisition rights to the date on which ten (10) years have passed from the date of allotment. If the final day of the exercise period falls on a holiday of Sharp, the final day shall be the working day immediately preceding the final day.

(7) Conditions etc. for exercise of Stock Acquisition Rights

- (i) The holders of stock acquisition rights shall remain Directors, Auditors, Executive Officers or employees of the Company Group at the time of exercising stock acquisition rights; provided, however, that exceptional treatment may be allowed in this regard in writing by the Board of Directors of Sharp in consideration of the circumstances.
- (ii) Stock acquisition rights may be exercised by the holder of stock acquisition rights, in whole or in part, according to the following categories.
 - i) The entire allotment of stock acquisition rights shall not be exercised prior to the date on which two (2) years have passed from the date of allotment.
 - ii) 50% of the allotment of stock acquisition rights, whichever is larger, may be exercised from the date on which two (2) years have passed from the date of allotment to the date prior to the date on which three (3) years have passed from the date of allotment (if a fraction less than one unit arises in the number of exercisable stock acquisition rights, such fraction shall be rounded down).
 - iii) 75% of the allotment of stock acquisition rights, whichever is larger, may be exercised from the date on which three (3) years have passed from the date of allotment to the date prior to the date on which four (4) years have passed from the date of allotment (if a fraction less than one unit arises in the number of exercisable stock acquisition rights, such fraction shall be rounded down).
 - iv) The entire allotment of stock acquisition rights may be exercised from the date on which four (4) years have passed from the date of allotment to the date on which ten (10) years have passed from the date of allotment.
- (iii) Stock acquisition rights shall not be inherited; provided, however, that exceptional treatment may be allowed in this regard in writing by the Board of Directors in

consideration of the circumstances.

- (iv) Stock acquisition rights shall not be offered for pledge or disposed of in any other way.
- (v) Other details and conditions shall be determined by the Board of Directors of Sharp.

(8) Matters concerning increase in capital and capital reserve by issuing of shares upon exercise of Stock Acquisition Rights

- (i) Amount of increase in capital by issuing shares upon exercise of stock acquisition rights shall be half of the upper limit of capital increase as calculated pursuant to the provisions of Article 17, Paragraph 1 of the Ordinance on Accounting of Companies, where any resultant fraction less than one yen shall be rounded up.
- (ii) Amount of increase in capital reserve by issuing shares upon exercise of stock acquisition rights shall be the upper limit of capital increase as described in (i) above less the amount of increase in capital set out therein.

(9) Reasons and conditions for the acquisition of Stock Acquisition Rights

Sharp may acquire stock acquisition rights on the date otherwise determined by the Board of Directors of Sharp without any compensation therefor in the following cases

- (i) In the case where a proposal of any merger agreement under which Sharp is dissolved, or any absorption-type company split (kyushu-bunkatsu) agreement or incorporation-type company split (shinsetsu-bunkatsu) plan in which Sharp will be a splitting company, or any share exchange agreement or share transfer plan in which Sharp will be a wholly owned subsidiary of another company is approved at a General Shareholders' Meeting of Sharp (or by the Board of Directors for a company split that does not require the approval of the General Shareholders' Meeting)
- (ii) In the case where a holder of stock acquisition rights ceases to accommodate the conditions of (7) above before exercising stock acquisition rights
- (iii) In the case where a holder of stock acquisition rights requests a waiver of Stock acquisition rights.

(10) Restriction on the acquisition of Stock Acquisition Rights by transfer

Any acquisition of stock acquisition rights by transfer shall require an approval of the Board of Directors of Sharp by its resolution.

(11) Treatment of Stock Acquisition Rights in case of organizational restructuring of Sharp:

In the event Sharp merges (limited to cases where Sharp becomes a dissolving company), performs an absorption-type company split or an incorporation-type company split, or conducts a share exchange or a share transfer (hereinafter collectively "Organizational Restructuring"), stock acquisition rights of a corporation described in Article 236, Paragraph 1, Items 8.1 (イ) through 8.5 (ホ) of the Companies Act of Japan (hereinafter "Restructured Company") shall be delivered under the following conditions to holders of stock acquisition rights remaining unexercised (hereinafter "Remaining stock acquisition rights") at the time when Organizational Restructuring takes effect. In this case, the Remaining stock acquisition rights will lapse and the Restructured Company will issue new stock acquisition rights. However, the foregoing shall apply only to cases in which the

delivery of stock acquisition rights of the Restructured Company according to the following conditions is stipulated in the merger agreement, the absorption-type company split agreement, the incorporation-type company split plan, the share exchange agreement or the share transfer plan.

- (i) Number of stock acquisition rights of the Restructured Company to be delivered
The Restructured Company shall deliver stock acquisition rights, the number of which shall equal the number of Remaining stock acquisition rights held by the holder of the Remaining stock acquisition rights.
- (ii) Class of shares of the Restructured Company to be issued upon the exercise of stock acquisition rights
Shares of common stock of the Restructured Company
- (iii) Number of shares of the Restructured Company to be issued upon the exercise of stock acquisition rights
To be decided according to (2) and (3) above after taking into consideration the conditions, etc. of the Organizational Restructuring.
- (iv) Value of the assets to be contributed upon the exercise of stock acquisition rights
The value of the assets to be contributed upon the exercise of each stock acquisition rights shall be decided according to (5) above after taking into consideration the conditions, etc. of the Organizational Restructuring.
- (v) Exercise period of stock acquisition rights
Starting from the later of either the first date of the exercise period of stock acquisition rights as stipulated in (6) above, or the date on which the Organizational Restructuring becomes effective and ending on the expiration date for the exercise of stock acquisition rights as stipulated in (6) above.
- (vi) Matters concerning increase in capital and capital reserve to be increased by issuing of shares by the Restructured Company upon the exercise of stock acquisition rights
To be determined in accordance with (8) above.
- (vii) Restriction on acquisition of stock acquisition rights by transfer
Acquisition of stock acquisition rights by transfer shall be subject to the approval of the Board of Directors of the Restructured Company (or by the majority decision of Directors if such company is not a company with Board of Directors).
- (viii) Conditions and reasons for the acquisition of stock acquisition rights
To be determined in accordance with (7) and (9) above.

(12) Rules pertaining to fractions of less than one share arising from the exercise of Stock Acquisition Rights

Fractions of less than one share in the number of shares to be delivered to holders of stock acquisition rights who exercised stock acquisition rights shall be rounded down.

(13) Other details of Stock Acquisition Rights

Other details of stock acquisition rights certificates shall be determined by the meeting of the Board of Directors to determine the Subscription Requirements of Stock Acquisition Rights.

(Note) Regarding the above matter, it is on the proviso that the proposal regarding issuance of stock acquisition rights be approved at our 131st Annual General Shareholders' Meeting scheduled to be held on June 27, 2025.

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