

June 30, 2025

To Whom It May Concern

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

(Progress Disclosure) Notice Regarding the Transfer of Sharp's Camera Module Business Through the Transfer of Equity Interests (Change of Consolidated Subsidiaries) and the Transfer of Assets

Sharp Corporation (hereinafter “Sharp”) hereby announces that Sharp has determined the transfer prices for the transfer of equity interests of SAIGON STEC CO., LTD (hereinafter “SSTEC”) held by a Sharp's subsidiary, Sharp Sensing Technology Corporation (hereinafter “SSTC”), to Fullertain Information Technologies Ltd. – B.V.I. (hereinafter “Fullertain”), a subsidiary of Hon Hai Precision Industry Co., Ltd. (hereinafter “Hon Hai”)(hereinafter “the Transfer of Equity Interests”), and for the transfer of the fixed assets etc. owned by Sharp or SSTC to SSTEC (hereinafter “the Transfer of Assets”). This is related to the “Notice Regarding the Transfer of Sharp's Camera Module Business Through the Transfer of Equity Interests (Change of Consolidated Subsidiaries) and the Transfer of Assets” dated December 27, 2024

1. Status of Share Ownership Before and After the Transfer of Equity Interests

1.	Percentage of shares owned before transfer	51%
2.	Percentage of shares transferred	51%
3.	Transfer Price	3,672,000 USD (533 million yen)
4.	Percentage of shares owned after the Transfer	0%

Note: Converted 1USD = 145.25 JPY. As of June 25, 2025

2. Outline of Fixed Assets, etc. to be Transferred

Item	Book Value (As of End of March 2025)	Transfer Amount
Property, Plant and equipment (Machinery and equipment, etc.)	0 yen	1,948 million yen

Note 1: The impairment has been conducted for the relevant assets in the third quarter of the fiscal year ended March 31, 2025.

Note 2: In addition to the above, the assets to be transferred also includes inventories, which will be transferred at its book value at the time of the Transfer of Equity Interests.

3. Schedule of the Transfer

Execution Date of the Transfer contract: December 27, 2024

Closing Date of the Transfer of Equity Interest: June 30, 2025

Closing Date of the Transfer of Assets: September 30, 2025 (plan)

4. Outlook for Fulfillment of Obligations

In the consolidated financial results for the fiscal year ending March 2026, Sharp expects to record extraordinary income of 478 million yen from the Transfer of Equity Interests, and extraordinary income of 1,948 million yen from the Transfer of Assets.

5. Items Related to Transaction with Controlling Shareholder

(1) Situation

The counterparty for the Transfer, Fullertain, is a subsidiary of Hon Hai, which is a parent company of Sharp; therefore, the Transfer is applicable as a related party transaction. Sharp's policy related to measures protecting minority shareholders upon transaction with a controlling shareholder is described in its Corporate Governance Report disclosed on July 5, 2024 as follows:

- Regarding transaction with a controlling shareholder, Sharp will consider market price and its profitability as it will do in transactions with third parties, and will conduct transaction only when its necessity, validity and rationality can be determined.
- Sharp decides on whether to execute transactions etc. based on appropriate procedures considering possibility of conflict of interest based on the observation of Company Law and other related laws, and upon necessity, it will examine its necessity, validity and rationality at a special committee composed by all independent outside board members.

Regarding this transaction, Sharp has determined and decided on the necessity, validity and rationality of the transaction conditions after undergoing the procedures described in (2) below, and has determined that the transaction complies with the above policy.

(2) Items Regarding Measures to Maintain Fairness and Avoid Conflict of Interest

In deciding on the Transfer, Sharp has obtained an appraisal from an independent third party valuation service provider. Following, at the Board of Directors meeting held on December 20, Sharp has obtained a unanimous agreement from all six independent outside directors that the decision to proceed with the Transfer is not detrimental to its minority shareholders. Please refer to "Notice Regarding the Transfer of Sharp's Camera Module Business Through the Transfer of Equity Interests (Change of Consolidated Subsidiaries) and the Transfer of Assets" dated December 27, 2024.

Regarding the Transfer, Sharp has obtained a resolution at the aforementioned Board of Directors meeting to delegate authority to the Representative Director and President. The transfer price has also been determined by the Representative Director and President based on that resolution. The Transfer amount determined as a result of this is more favorable to Sharp compared to the result of business valuation by the aforementioned independent third party assuming the business plan in which this transfer would not occur. Furthermore, as stated in (3) below, prior to the determination of the Transfer amount, Sharp obtained opinions from five independent outside directors confirming that the decision regarding the Transfer is not detrimental to minority shareholders.

Among Sharp's independent outside directors, Mr. Ching-Ray Chang was appointed as a director of Hon Hai on May 29, 2025, and has therefore lost his independence. However, he is not included among the five independent outside directors mentioned above and was not involved in obtaining the aforementioned opinions. Additionally, he is not involved in this transaction itself, and this transaction does not fall under the category of a conflict of interest transaction.

(3) Outline of the opinions acquired from persons who do not have shared interests with the controlling shareholder, with respect to the decision on the Transfer, etc. not being disadvantageous to the minority shareholders

Sharp explained to the above-mentioned five independent outside directors the progress of discussions with the transferee after the conclusion of the contract related to the Transfer on December 27 and the reasons for the decision regarding the Transfer.

In response to this, on June 26, 2025, Sharp obtained opinions from the five independent outside directors that appropriate procedures were implemented regarding the Transfer and that it can be determined that the Transfer does not lack necessity, validity and rationality, and is not detrimental to minority shareholders.

- I. By executing the Transfer, Sharp can reduce the investment burden and business risks associated with continuing the relevant business, allowing Sharp to concentrate on the policy of focusing on the brand businesses.
- II. Considering the current status of the relevant business and the inflexible supply chain structure, the judgment by the department in charge is not unreasonable that it would be difficult to solicit a wide range of candidates for a sale to a third party through bidding or other means, and that no other potential buyers aside from Fullertain can be anticipated.
- III. Prior to the decision on the Transfer, Sharp has obtained an appraisal evaluation from an independent third party. This appraisal is implemented by using the DCF method, based on the business outlook Sharp provided assuming the market trends, and upside scenario assuming a sufficient investment in the relevant business,. The appraisal methodology employed is recognized as a common and appropriate method.
- IV. The business outlook based on the market trends anticipates future risks of losses. In this context, the Transfer is considered more favorable than the market-based outlook, as it can mitigate the occurrence of such loss risks while generating expected income from the Transfer. On the other hand, the upside outlook requires a significant investment, and it is uncertain whether the anticipated income will exceed the sale profit. The Transfer price is in a range between the appraisal values based on both the market-based and upside business outlooks.
- V. Regarding the subjects of the Transfer, Sharp has discussed and determined with the transferee whether the assets used in the camera module business are necessary for the continuation of operations, both before and up until today. As for the pricing for the Transfer of Equity Interests, Sharp has discussed and determined the price based on the net asset value of SSTECH, considering the factors that may affect the valuation. For the fixed assets, Sharp has determined the price based on the book value while taking profitability into account, and for the inventories, the price is determined based on the book value, which is not unreasonable. In light of these processes, it can be recognized that Sharp has conducted thorough discussions, equivalent to those with third parties. Furthermore, no condition has been set that would be significantly

disadvantageous to Sharp compared to transactions with third parties.

- VI. At the Board of Directors meeting held on December 20, 2024, prior to the execution of the transfer agreement, the proposal for this Transfer was presented as a related party transaction, and a resolution was made to delegate authority to Representative Director Okitsu. At this Board of Directors meeting, all six independent outside directors out of a total of nine members participated and expressed their opinions. Furthermore, the determination of the Transfer amount is recognized to be within the scope of that delegation resolution.

End