

[Translation based on material released on Tokyo Stock Exchange by Sharp Corporation]

February 25, 2021

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

Notice of Sale of Sakai Display Products Corporation Shares

Sharp Corporation (“the Company”) has announced the decision made at a meeting of the Board of Directors convened today on the sale of its owned shares of Sakai Display Products Corporation (“SDP”) (“the Sale”).

1. Purpose of the Sale

The Company received a proposal from the assignee to purchase SDP shares owned by the Company. After considerations, the Company has decided on the Sale based on the following:

- (1) As the Company aims to become a strong brand company, for devices businesses, the Company is promoting structural reform under the policy of aggressively collaborating with outer companies while securing core technology and maintaining stable procurement. Also for displays business, the Company has an accumulation of world-class technology and expertise within itself, and while maintaining collaboration and partnership relationship with SDP in intellectual property rights areas, the Company determined capital relationship with SDP is not mandatory for its business development.
- (2) The Company has an agreement with SDP to receive stable supply of high quality LCD panels even after capital relationship is dissolved.
- (3) By dissolving capital relationship, highly volatile large-size LCD business that requires continuous large investment to maintain competitiveness will be spun out, which is considered to contribute to stabilizing the Company’s consolidated business results.

2. Summary of the Sale

- (1) Number of owned shares before sale: 1,030,800 common shares (24.55% voting rights)
- (2) Number and amount of shares for sale: 1,030,800 common shares*
*Sale price is non-disclosed based on duty of confidentiality with the assignee.
- (3) Number of owned shares after sale: 0 common shares (0% voting rights)

3. Schedule

Date of Board of Directors’ meeting resolution: February 25, 2021
Date of agreement of the Sale: February 25, 2021 (plan)
Date of implementation (effective date): March 15, 2021 (plan)

4. Outline of company of shares to be sold

1.	Name	Sakai Display Products Corporation		
2.	Location	1 Takumi-cho, Sakai-ku, Sakai, Osaka, Japan		
3.	Job title and name of representative	Toshiaki Takayama, Representative Director		
4.	Business description	Development, manufacture, distribution, export and import of liquid crystal displays and other displays		
5.	Capitalization	32,485 million yen		
6.	Date established	April 1, 2009		
7.	Number of shares issued	4,398,000		
8.	End of fiscal year	December 31		
9.	Major shareholders and shareholding ratio	Sharp Corporation: 23.44% (including treasury shares) Other companies are non-disclosed due to duty of confidentiality		
10.	Relationship between the listed company and the company in question			
	Capital relationship	The Company owns 23.44% shares of the company in question.		
	Personnel relationship	Seconded employees from the Company to the company in question exist.		
	Business relationship	The Company has business transaction of LCD panels and LCD modules with the company in question.		
11.	Operating results and financial condition of the company in question in the preceding three fiscal years*			
	Fiscal Year	Fiscal 2017	Fiscal 2018	Fiscal 2019
	Net assets	163,996 million yen	135,503 million yen	115,891 million yen
	Total assets	290,305 million yen	312,749 million yen	348,295 million yen
	Net sales	200,226 million yen	111,442 million yen	99,920 million yen
	Operating income	11,592 million yen	(17,759 million yen)	(7,175 million yen)
	Recurring profit	7,877 million yen	(28,543 million yen)	(19,633 million yen)
	Net income attributable to owners of parent	4,300 million yen	(28,470 million yen)	(19,642 million yen)

Note: Business results and financial status for fiscal 2020 are currently being aggregated, and therefore figures from fiscal 2017 to fiscal 2019 are listed. Figures are non-consolidated results since the company in question does not report consolidated results.

5. Outline of Assignee

Information is non-disclosed due to duty of confidentiality.

The assignee is not a related party of the Company.

6. Future Outlook

The expected impact of the Sale against the Company's consolidated performance for the fiscal year ending March 31, 2021 is minor.

End