

(PLEASE Note: This Notice of Convocation is an English summary of the Japanese notice. The Japanese original is official, and this summary is for your reference only. Sharp does not guarantee the accuracy of this summary.)

Securities Code: 6753

June 1, 2015

SHARP CORPORATION

NOTICE OF CONVOCATION OF THE 121ST ORDINARY GENERAL MEETING OF SHAREHOLDERS

To Our Shareholders:

We hereby notify you of the convocation of the 121st Ordinary General Meeting of Shareholders of Sharp Corporation (hereinafter referred to as “Sharp”) as per the description below.

DESCRIPTION

1. Date and Time: Tuesday, June 23, 2015, at 10:00 a.m.

2. Place: 1-14-15 Shinmachi, Nishi-ku, Osaka

ORIX THEATER

3. Purpose of the Meeting:

- Report:
1. The Business Report, Consolidated Accounts and Audit of the Consolidated Accounts by the Accounting Auditors and the Audit & Supervisory Board for the 121st Term (from April 1, 2014 to March 31, 2015)
 2. Accounts for the 121st Term (from April 1, 2014 to March 31, 2015)

Resolution:

- Proposal No.1: Partial Amendment to Articles of Incorporation
Proposal No.2: The issuance of Class A Shares and Class B Shares by third party allotment
Proposal No.3: Reduction of Common Stock and Capital Reserve
Proposal No.4: Appropriation of Surpluses for the 121st Term
Proposal No.5: Election of Thirteen (13) Directors
Proposal No.6: Election of Three (3) Audit & Supervisory Board Member

[Attachment 1]

REFERENCE INFORMATION REGARDING PROPOSALS

Proposal No. 1: Partial Amendment of Articles of Incorporation

Please see the separate volume of reference information regarding proposals.

Proposal No. 2 : The issuance of Class A Shares and Class B Shares by third party allotment

Please see the separate volume of reference information regarding proposals.

Proposal No. 3: Reduction of Common Stock and Capital Reserve

Sharp is intending to issue, by a third party allotment, a total of 225 billion yen of Class A Shares and Class B Shares, and to strengthen its own capital, as described in Proposal No. 2. However, Sharp has recorded a 224,037,861,290 yen loss of retained earnings carried forward for the year ended March 2015.

In order to regain financial strength at an early stage, and to prepare for mobile and flexible implementation of future capital policy, by covering the deficit, Sharp proposes to reduce common stock and capital reserve pursuant to the provisions of Article 447, Paragraph 1 and Article 448, Paragraph 1, of the Companies Act and to transfer the amount equal to that of the reduction of common stock and capital reserve to other capital surplus.

In addition, since these actions are accounting transfers within the “Net Assets section” in the balance sheet of Sharp, they will not change Sharp’s net assets and will not affect the number of shares owned by each shareholder.

Reduction of Common Stock and Capital Reserve is subject to issuance of the Class Shares becoming effective, and will increase of the amount of Common Stock and Capital Reserve in each by 112,500,000,000 yen.

(1) Details of Reduction of Common Stock

Out of the amount of Common Stock subsequent to issuance of Class Shares, which is 234,384,726,500 yen, Sharp proposes to reduce common stock by 233,884,726,500 yen, and to transfer the entire amount of the reduction of common stock to other capital surplus.

(2) Details of Reduction of Capital Reserve

Out of the amount of capital reserve subsequent to issuance of Class Shares, which is 196,884,726,500 yen, Sharp proposes to reduce capital reserve by 196,759,726,500 yen, and to transfer the entire amount of the reduction of capital reserve to other capital surplus.

(3) Effective Date:

June 30, 2015

Proposal No. 4: Appropriation of Surpluses for the 121st Term

Following transfers of the common stock and capital reserve by Proposal No. 3, pursuant to the provision of Article 452 of the Companies Act, Sharp proposes to reduce other capital surplus by 219,780,861,290 yen out of other capital surplus of 442,205,030,073 yen, and to transfer them to retained earnings carried forward to cover the deficit.

This proposal is subject to Proposal No. 3 being approved and passed as originally proposed and taking effect of reduction of common stock and capital reserve.

(1) Item and amount of surplus to be reduced

Other Capital Surplus: 219,780,861,290 yen

(2) Item and amount of surplus to be increased

Retained Earnings Carried Forward: 219,780,861,290 yen

(3) Effective Date:

June 30, 2015

Proposal No. 5: Election of Thirteen (13) Directors

The term of office of all Directors [Eleven (11) Directors] will expire at the conclusion of this Ordinary General Meeting of Shareholders. Messrs. Tetsuo Onishi, Norikazu Hohshi and Fujikazu Nakayama will retire from office.

Sharp recommends that thirteen (13) Directors, including two (2) incremental Outside Directors, designated by Japan Industrial Solutions Fund I, with whom Sharp entered into a subscription agreement regarding Proposal No. 2, be elected.

The candidates for the Directors are as follows and the asterisk (*) denotes a new candidate:

No.	Name of Candidate (Date of Birth)	Current Position (Significant Concurrent Position at Other Company)	Ownership of Sharp's Shares
1	Kozo Takahashi (August 20, 1954)	Representative Director and President	26,712 shares
2	Shigeaki Mizushima (March 6, 1955)	Representative Director and Executive Vice President Assistant to the President	30,983 shares
3	Yoshihiro Hashimoto (December 19, 1956)	Director and Executive Managing Officer Group General Manager, Administrative Control Group	0 shares
4	Yumiko Ito (March 13, 1959)	Director and Executive Managing Officer General Counsel	0 shares
5	Akihiro Hashimoto (February 18, 1960)	Director and Executive Managing Officer Group General Manager, Management Planning Group	0 shares
6	Makoto Kato (December 13, 1940)	Director	22,731 shares
7	Shigeo Ohyagi (May 17, 1947)	Director Chairman, Teijin Limited Outside Audit & Supervisory Board Member, JFE Holdings, Inc. Outside Audit & Supervisory Board Member, Recruit Holdings Co., Ltd.	0 shares

No.	Name of Candidate (Date of Birth)	Current Position (Significant Concurrent Position at Other Company)	Ownership of Sharp's Shares
8	Mikinao Kitada (January 29, 1952)	Director Special Counsel of Mori Hamada & Matsumoto Outside Audit & Supervisory Board Member, Oji Holdings Corporation Outside Audit & Supervisory Board Member, ASKUL Corporation	0 shares
9	* Yoshisuke Hasegawa (April 19, 1955)	Senior Executive Managing Officer General Manager, Consumer Electronics Business	41,712 shares
10	* Tsutomu Handa (September 10, 1954)	Executive Managing Officer Branch General Manager, Tokyo Branch	11,000 shares
11	* Satoshi Sakakibara (October 8, 1958)	Executive Officer Chief Officer, Accounting and Cost Structural Reform, Administrative Control Group	3,632 shares
12	* Masahiro Sumita (January 19, 1952)	Chairman, Japan Industrial Solutions, Ltd.	0 shares
13	* Shinichi Saito (January 16, 1949)	President and CEO, Japan Industrial Solutions, Ltd. Outside Audit & Supervisory Board Member, Sumitomo Mitsui Trust Holding, Inc. Outside Audit & Supervisory Board Member, Sumitomo Mitsui Trust bank, Ltd. (planned month of retirement: June, 2015) Outside Director, Unitika Ltd. (planned month of retirement: June, 2015)	0 shares

(Notes)

1. Mr. Masahiro Sumita is also the Chairman of Japan Industrial Solutions, Ltd. and Mr. Shinichi Saito is also the President and CEO of Japan Industrial Solutions, Ltd. Japan Industrial Solutions, Ltd. is a General Partner of Japan Industrial Solutions Fund I and this Fund entered into a subscription agreement with Sharp to issue the Class B Shares. No conflict of interest exists between other candidates and Sharp.

2. The number of "Ownership of Sharp's Shares" includes a number of shares held by candidates through Sharp Stockholding Association.

3. Mr. Makoto Kato, Mr. Shigeo Ohyagi, Mr. Mikinao Kitada, Mr. Masahiro Sumita and Mr. Shinichi Saito are candidates for outside directors as provided in Article 2, Paragraph 3, Item 7 of the Enforcement Regulations of the Companies Act.

(Matters concerning the Candidate for an Outside Director)

Mr. Makoto Kato

Mr. Makoto Kato has extensive experience from past roles in management and affairs of a general trading company over many years. Based on a broad view of his experience, he is able to completely fulfill the expected role of an independent Outside Director through decision-making by the Board of Directors of Sharp and supervising the execution of duties by the Directors. For this reason, it is proposed that Mr. Makoto Kato be elected as an Outside Director. Although Mr.

Makoto Kato served as a member of the Board of Directors of Itochu Corporation, with which Sharp have been continuing business transaction, the transaction amount between Itochu and Sharp is minor (ratio of transaction amount to sales amount of either company to the other is less than 1%.), and therefore there will be no impact on the independence of his role.

It will be four (4) years at the close of this Ordinary General Meeting of Shareholders since Mr. Makoto Kato's assumption of office as an Outside Director.

Mr. Shigeo Ohyagi

Mr. Shigeo Ohyagi has extensive experience from past roles in management and affairs of a manufacturing company over many years. Based on a broad view of his experience, he is able to completely fulfill the expected role of an independent Outside Director through decision-making by the Board of Directors of Sharp and supervising the execution of duties by the Directors. For this reason, it is proposed that Mr. Shigeo Ohyagi be elected as an Outside Director. Although Sharp engages in a purchase transaction with Teijin Limited and Mr. Shigeo Ohyagi serves as a Chairman of the Board, the transaction amount between Teijin and Sharp is minor (ratio of transaction amount to sales amount of either company to the other is less than 1%), and therefore there will be no impact on the independence of his role.

It will be one (1) year at the close of this Ordinary General Meeting of Shareholders since Mr. Shigeo Ohyagi's assumption of office as an Outside Director.

Mr. Mikinao Kitada

Mr. Mikinao Kitada has experience of having held key positions in the Bar. Based on objective and specialized insight, he is able to completely fulfill the expected role of an independent Outside Director through decision-making by the Board of Directors of Sharp and supervising the execution of duties by the Directors. For this reason, it is proposed that Mr. Mikinao Kitada be elected as an Outside Director. Although he is a member of Mori Hamada & Matsumoto, Sharp has no advisory contracts with this law firm.

It will be one (1) year at the close of this Ordinary General Meeting of Shareholders since Mr. Mikinao Kitada's assumption of office as an Outside Director.

Mr. Masahiro Sumita

Mr. Masahiro Sumita has experience from past roles in management and business affairs. As a lawyer and based on his extensive and professional experience, he is able to completely fulfill the expected role of an Outside Director through decision-making by the Board of Directors of Sharp and supervising the execution of duties by the Directors. For this reason, it is proposed that Mr. Shinich Saito be elected as an Outside Director.

Mr. Shinich Saito

Mr. Shinich Saito has extensive experience from past roles in management and business affairs over many years. Based on a broad view of his experience, he is able to completely fulfill the expected role of an Outside Director through decision-making by the Board of Directors of Sharp and supervise the execution of duties by the Directors. For this reason, it is proposed that Mr. Shinich

Saito be elected as an Outside Director.

4. Sharp has entered into liability limitation agreements with Mr. Makoto Kato, Mr. Shigeo Ohyagi and Mr. Mikinao Kitada which limit their liabilities for damage to the extent the law allows. Upon approval of their reelection as Outside Directors, Sharp will continue the above liability limitation agreements with them. Upon approval of Mr. Masahiro Sumita and Mr. Shinichi Saito's elections as Outside Directors, Sharp will enter into liability limitation agreements with them which limit their liability for damage to the extent the law allows.

5. Sharp has designated Mr. Makoto Kato, Mr. Shigeo Ohyagi and Mr. Mikinao Kitada as independent directors as set out in the provision of the Tokyo Stock Exchange where it is listed, and has filed notification of independent directors with the Tokyo Stock Exchanges. Upon approval of their reelection as Outside Directors, Sharp will keep on filing notification of independent directors.

Proposal No. 6: Election of Three (3) Audit & Supervisory Board Member

The term of office of Messrs. Junzo Ueda and Masuo Okumura will expire at the conclusion of this Ordinary General Meeting of Shareholders, and Mr. Junzo Ueda will retire from office. Additionally, Mr. Shinji Hirayama will resign as Audit & Supervisory Board Member at the conclusion of this Ordinary General Meeting, due to his resignation. For this reason, it is proposed that three (3) Audit & Supervisory Board Member be elected.

The Audit & Supervisory Board has consented to this proposal.

The new candidates for Audit & Supervisory Board Member are as follows:

Name of Candidate (Date of Birth)	Current Position (Significant Concurrent Position at Other Company)	Ownership of Sharp's Shares
Masuo Okumura (November 8, 1947)	Audit & Supervisory Board Member Chairperson of Japan Road Traffic Information Center Outside Audit & Supervisory Board Member, TV Asahi Holdings Corporation Outside Audit & Supervisory Board Member, MARUICHI STEEL TUBE LTD.	18,877 shares
* Shuzo Fujii (June 4, 1957)	Senior General Administration Officer, Management Planning Group	0 shares
* Tohru Suda (September 2, 1946)	Accountant and Licensed tax accountant, Suda Accounting Firm	36,000 shares

(Notes)

1. No conflict of interest exists between all of the candidates and Sharp.
2. The number of "Ownership of Sharp's Shares" includes a number of shares held by candidates through Sharp Stockholding Association.
3. Mr. Masuo Okumura and Mr. Toru Suda are candidates for Outside Audit & Supervisory Board Member as provided in Article 2, Paragraph 3, Item 8 of the Enforcement Regulations of the Companies Act.

(Matters concerning the Candidate for Outside Audit & Supervisory Board Member)

Mr. Masuo Okumura

Mr. Masuo Okumura has experience in serving in important posts with the police such as Superintendent General for Metropolitan Police Department. Based on objective insight, he is able to audit legality and correctness of the execution of duties by the Directors as an independent Outside Audit & Supervisory Board Member. For this reason, it is proposed that Mr. Masuo Okumura be elected as an Outside Audit & Supervisory Board Member.

It will be four (4) years at the close of this Ordinary General Meeting of Shareholders since Mr. Masuo Okumura's assumption of office as an Outside Audit & Supervisory Board Member.

Mr. Toru Suda

Mr. Toru Suda has experience as an accountant and a licensed tax accountant. Based on his professional and objective insight, he is able to audit legality and correctness of the execution of duties by the Directors as an independent Outside Audit & Supervisory Board Member. For this reason, it is proposed that Mr. Toru Suda be elected as an Outside Audit & Supervisory Board Member.

4. Sharp has entered into a liability limitation agreement with Mr. Masuo Okumura which limits his liability for damage to the extent the law allows. Upon approval of Mr. Masuo Okumura's reelection as an Outside Audit & Supervisory Board Member, Sharp will continue the above liability limitation agreement with him. Upon Mr. Shuzo Fujii and Mr. Toru Suda's election as Outside Audit & Supervisory Board Member, Sharp will enter into liability limitation agreements with them which limit their liability for damage to the extent the law allows. Entering into such an agreement with Mr. Shuzo Fujii is subject to Proposal No. 1 being approved and passed as originally proposed.

5. Sharp has designate Mr. Masuo Okumura as an independent auditor as set out in the provision of the Tokyo Stock Exchange where it is listed, and has filed notification of independent auditor with the Tokyo Stock Exchanges. Upon approval of his reelection as Outside Audit & Supervisory Board Member, Sharp will keep on filing notification of an independent auditor. Sharp also will designate Mr. Toru Suda as an independent auditor and file notification of an independent auditor.

[Attachment 2]

CONSOLIDATED BALANCE SHEET

(As of March 31, 2015)

(Millions of Yen)

ASSETS		LIABILITIES	
Current Assets	1,299,195	Current Liabilities	1,686,954
Cash and deposits	258,493	Notes and accounts payable	334,545
Notes and accounts receivable	414,014	Electronically recorded obligations	89,338
Inventories	338,300	Short-term borrowings	840,026
Non-trade accounts receivable	195,711	Accrued expenses	178,905
Other current assets	96,731	Accrued employees' bonuses	15,230
Allowance for doubtful receivables	-4,054	Accrued product warranty	17,483
		Provision for loss on litigation	4,186
		Provision for business structure improvement	9,522
		Valuation reserve for inventory purchase commitments	54,655
Non-Current Assets	662,631	Other current liabilities	143,064
Tangible Fixed Assets	400,592		
Buildings and structures	658,741	Long-Term Liabilities	230,440
Machinery, equipment and vehicles	1,278,026	Straight bonds	60,000
Tools and furniture	308,651	Long-term borrowings	53,470
Land	87,619	Net defined benefit liability	85,277
Construction in progress	19,896	Other long-term liabilities	31,693
Other tangible fixed assets	65,101		
Less accumulated depreciation	-2,017,442	Total Liabilities	1,917,394
		NET ASSETS	
Intangible Fixed Assets	42,484	Owners' Equity	116,489
Industrial Property	1,484	Common Stock	121,885
Software	32,369	Capital Surplus	95,945
Other intangible fixed assets	8,631	Retained Earnings	-87,448
		Less cost of Treasury Stock	-13,893
Investments and Other Assets	219,555	Accumulated Other Comprehensive Income	-86,323
Investment securities	167,795	Net Unrealized Holding Gains on Securities	10,569
Other fixed assets	52,702	Deferred Gains on Hedges	780
Allowance for doubtful receivables	-942	Foreign Currency Translation Adjustments	-18,106
		Remeasurements of defined benefit plans	-79,566
Deferred Assets	83	Minority Interests	14,349
Bond issue cost	83		
		Total Net Assets	44,515
Total Assets	1,961,909	Total Liabilities and Net Assets	1,961,909

(Note) Fractions rounded to the nearest million yen.

[Attachment 3]

CONSOLIDATED STATEMENT OF INCOME

(From April 1, 2014 to March 31, 2015)

(Millions of Yen)

Net Sales	2,786,256
Cost of sales	2,397,749
Gross profit	388,507
Selling, general and administrative expenses	436,572
Operating loss	48,065
Non-Operating Income	22,181
Interest and dividend income	2,870
Other non-operating income	19,311
Non-Operating Expenses	70,642
Interest expenses	23,182
Other non-operating expenses	47,460
Recurring loss	96,526
Special Income	53,299
Gain on sales of noncurrent assets	11,119
Gain on sales of investment securities	22,946
Reversal of provision for loss on litigation	19,234
Special Losses	145,607
Loss on sales and retirement of noncurrent assets	2,795
Impairment loss	104,015
Loss on valuation of investment securities	622
Loss on sales of investment securities	414
Restructuring charges	21,239
Provision for loss on litigation	2,140
Settlement	14,382
Loss before income taxes and minority interests	188,834
Corporate income, inhabitant and business taxes	27,179
Adjustment to income taxes	4,234
Loss before Minority interests	220,247
Minority interests in income of consolidated subsidiaries	2,100
Net loss	222,347

(Note) Fractions rounded to the nearest million yen.

[Attachment 4]

CONSOLIDATED STATEMENT OF CHANGES IN NET ASSETS

(From April 1, 2014 to March 31, 2015)

(Millions of Yen)

	Owners' Equity				
	Common stock	Capital surplus	Retained earnings	Less cost of treasury stock	Total Owners' equity
Balance at April 1, 2014	121,885	95,950	135,096	-13,889	339,042
Cumulative effect of change in accounting policies			-197		-197
Balance at April 1, 2014, reflecting change in accounting policies	121,885	95,950	134,899	-13,889	338,845
Changes of items during the period					
Net loss			-222,347		-222,347
Purchase of treasury stock				-10	-10
Disposal of treasury stock		-5		6	1
Net changes of items other than owners' equity					
Total changes of items during the period	—	-5	-222,347	-4	-222,356
Balance at March 31, 2015	121,885	95,945	87,448	-13,893	116,489

	Accumulated Other Comprehensive Income					Minority interests	Total net assets
	Net unrealized holding gains on securities	Deferred gains on hedges	Foreign currency translation adjustments	Remeasure-ments of defined benefit plans	Total accumulated other comprehensive income		
Balance at April 1, 2014	6,851	-160	-41,206	-109,367	-143,882	12,013	207,173
Cumulative effect of change in accounting policies							-197
Balance at April 1, 2014, reflecting change in accounting policies	6,851	-160	-41,206	-109,367	-143,882	12,013	206,976
Changes of items during the period							
Net loss							-222,347
Purchase of treasury stock							-10
Disposal of treasury stock							1
Net changes of items other than owners' equity	3,718	940	23,100	29,801	57,559	2,336	59,895
Total changes of items during the period	3,718	940	23,100	29,801	57,559	2,336	-162,461
Balance at March 31, 2015	10,569	780	-18,106	-79,566	-86,323	14,349	44,515

(Notes) Fractions rounded to the nearest million yen.

[Attachment 5]

Consolidated Explanatory Notes

(Notes concerning Important Matters Presented in Consolidated Financial Statements)

1. Scope of Consolidation

(1) Number of Consolidated Subsidiaries and Names of Major Consolidated Subsidiaries

Number of consolidated subsidiaries: eighty-five (85)

Names of major consolidated subsidiaries: omitted

Copy IT Digital Solutions Limited, and one (1) other company, which Sharp acquired in this consolidated fiscal year, are included in the scope of consolidation. In addition, Sharp Glovision Inc. and two (2) other companies which were newly established in this consolidated fiscal year, are included in the scope of consolidation. On the other hand, Sharp Manufacturing Poland Sp. z. o. o., Recurrent Energy LLC and Sharp US Holding Inc., which were consolidated subsidiaries in the previous consolidated fiscal year, are excluded from the scope of consolidation because Sharp transferred all of their stocks or equity interests Sharp held in this consolidated fiscal year. In addition, PROVENCE DOCUMENT TECHNOLOGY, which was a consolidated subsidiary in the previous consolidated fiscal year, is excluded from the scope of consolidation because it was taken over by Sharp Business Systems France SAS, which is a consolidated subsidiary in this consolidated fiscal year.)

(2) Names of Major Non-consolidated Companies and Others

Names of major non-consolidated companies: Sharp India Ltd.

Reason why this company is not included in consolidation:

From the viewpoint of total assets, sales, net income (loss) for the current term, retained earnings and other items, this company is minor and, as a whole, does not have a material effect on the items of the consolidated financial statements.

2. Matters concerning Application of Equity Method

(1) Number and Names of Major Non-consolidated Companies and Affiliates to Which Equity Method is Applied

Number of non-consolidated companies to which equity method is applied: one (1)

Number of affiliates to which equity method is applied: twenty (20)

Names of major companies: Sharp Roxy (Hong Kong) Ltd.

Changes in Scope of Application of the Equity Method:

Renesas SP Drivers, Inc., 3Sun s. r. l. and one (1) other company, which were the affiliates to which the equity method is applied in the previous consolidated fiscal year, are excluded from the affiliates to which the equity method is applied because Sharp transferred all of their shares or equity interests Sharp held in this consolidated fiscal year.

(2) Names of Major Non-consolidated Companies and Affiliates to Which Equity Method is Not Applied and Others

Names of major non-consolidated companies and affiliates to which equity method is not applied:

Sharp Telecommunications of Europe, Limited

Reason for not applying equity method:

The effect on consolidated net income and consolidated retained earnings and other items is minor and, as a whole, is not material.

3. Matters concerning Business Year, etc. of Consolidated Subsidiaries

The business years of Sharp Office Equipments (Changshu) Co., Ltd. and sixteen (16) other companies end on December 31. For presenting consolidated financial statements, Sharp provisionally settles the accounts of these companies at the end of the consolidated fiscal year end for consolidation.

4. Matters Related to Accounting Procedure Standards

(1) Valuation Standards and Methods for Important Assets

1) Valuation Standards and Methods for Securities

Other Securities

•Securities with available fair market values:

Primarily, stated at fair market value based on average of market price during the last month of the fiscal year (valuation differences are disposed using the direct net asset adjustment method and the cost of securities sold is calculated using the average cost method).

•Securities with no available fair market value:

Primarily, stated at average cost.

2) Valuation Standards and Methods for Inventories

Inventories held by Sharp and its domestic consolidated subsidiaries are primarily stated at moving average cost (for the book value of inventories on the balance sheets, by writing inventories down based on their decrease in profitability of assets).

For overseas consolidated subsidiaries, inventories are stated at the lower of moving average cost or market.

(2) Depreciation Methods Used for Important Depreciable Assets

1) Method of Depreciation for Property, Plant and Equipment (Except for Lease Assets)

For Sharp and its domestic consolidated subsidiaries, depreciation is based primarily on the declining-balance method, except for machinery and equipment, in Mie and Kameyama, and buildings (excluding attached structures) acquired on and after April 1, 1998, which are depreciated on the straight-line method.

Overseas consolidated subsidiaries primarily use the straight-line method.

2) Method of Amortization for Intangible Fixed Assets (Except for Lease Assets)

Amortization is based on the straight-line method.

Software used by Sharp is amortized by the straight-line method over an estimated useful life of principally five (5) years, however, software embedded in products is amortized over the forecasted sales quantity.

3) Method of Depreciation for Lease Assets

Finance leases that do not transfer ownership

Depreciation is based on the straight-line method that takes the lease period as the depreciable life and the residual value as zero (0).

Regarding finance leases of Sharp and its domestic consolidated subsidiaries that do not transfer ownership, for which the starting date for the lease transaction is prior to March 31, 2008, lease payments are recognized as expenses.

(3) Accounting Standard for Important Allowances and Reserves

1) Allowance for Doubtful Receivables

The estimated amounts of allowance for general receivables are primarily determined based on the past loss experience. For particular receivables, including those from debtors at risk of bankruptcy, the allowance is provided for individually estimated unrecoverable amounts. This procedure is made against possible credit loss.

2) Accrued Employees' Bonuses

The reserve for payment of employees' bonuses is set aside based on estimated amounts to be paid in the subsequent period.

3) Accrued Product Warranty

Estimated amounts of warranty are accrued based on the past experience. This procedure is made against expense for after-sales service within the warranty period.

4) Provision for Loss on Litigation

Out of possible future loss on litigation, the amount to be considered necessary is estimated.

5) Restructuring Charges

The estimated amounts of allowance for restructuring charges are set aside. This procedure is made against expense for possible future loss due to structural reform.

6) Valuation reserve for inventory purchase commitments

Regarding long-term contracts for purchasing raw materials over a long time frame, the amounts of difference between contracted price and current market price are set aside as allowance for contract loss. This procedure is made against future possible loss in case the market price of materials declines significantly from the contracted price and fulfillment of the contract causes a loss in production and sale business.

A long-term contract for purchasing polysilicon, which is a raw material of solar cells, obliges Sharp to purchase it at a significantly higher price than current market price. The business plan of Sharp is based on the assumption that its obligation to purchase polysilicon at higher price than market price is fulfilled. In addition to this, there was intensified price competition caused by overseas manufacturers, a drop in the price of solar panels due to a decreased buying rate of the feed-in tariff system, and a deteriorated business environment such as large fluctuations in exchange rates. These factors made it difficult for Sharp to secure profit. In this connection, from the year ended March 31, 2015, a valuation reserve for inventory purchase commitments was recorded as for a long-term contract for purchasing polysilicon.

(4) Other Important Matters Presenting Consolidated Financial Statements

1) Method for Amortization for Deferred Assets

Bond Issue Cost:

Bond issue cost is amortized under the straight-line method over the redemption period.

2) Accounting Policy for Retirement Benefits

The estimated amount of all retirement benefits to be paid at future retirement dates is allocated to each

service year based mainly on a benefit formula basis.

Past service costs are amortized primarily over the average of the estimated remaining service lives [fourteen (14) years]

Actuarial losses are recognized primarily in expenses over the average of estimated remaining services lives [fourteen (14) years] commencing with the following consolidated fiscal year.

3) Method and Period for Amortization of Goodwill

Goodwill for which the effective term is possible to be estimated is amortized evenly over the estimated terms, while the other is amortized evenly over five (5) years. However, if the amount is minor, the entire amount is amortized during the period of occurrence.

4) Accounting for Consumption Taxes, etc.

The tax exclusion method is applied.

5) Adoption of Consolidated Tax Return System

The consolidated tax return system is adopted.

(Notes concerning Changes in Accounting Policies)

Changes in accounting policies

Effective from the year ended March 31, 2015, the Company and its domestic consolidated subsidiaries adopted paragraph 35 of the “Accounting Standard for Retirement Benefits” (ASBJ Statement No.26 on May 17, 2012) and paragraph 67 of the “Guidance on Accounting Standard for Retirement Benefits”(ASBJ Statement No.25 on March 26, 2015). The Company and its domestic consolidated subsidiaries reviewed the method of calculating retirement benefit obligations and service costs, and changed the method of attributing expected benefit to periods primarily from point basis to a benefit formula basis.

In accordance with transitional accounting as stipulated in paragraph 37 of the Accounting Standard for Retirement Benefits, the effect of the changes in the method of calculating retirement benefit obligations and service costs was recognized as an adjustment to retained earnings at the beginning of the year ended March 31, 2015.

This change had an immaterial impact on net defined benefit liability and retained earnings at the beginning of the year ended March 31, 2015, as well as financial statements for the year ended March 31, 2015.

Changes in accounting estimates

Sharp Corporation and its domestic consolidated subsidiaries previously amortized actuarial gain/loss and past service costs on the severance and pension benefits over 15 years. Effective from the year ended March 31, 2015, the amortization period has been changed to 14 years because the average of the estimated remaining service years decreased.

This change had an immaterial impact on financial statements for the year ended March 31, 2015.

(Notes concerning Changes in Presentation Method)

Concerning Consolidated Balance Sheet

- (1) “Deferred Tax Assets” of 16,576 million yen in “Current Assets” is included in and described as “Other Current Assets” of “Current Assets” due to a decrease in its importance in this consolidated fiscal year, although it was individually described in “Current Assets” in the previous consolidated fiscal year.

- (2) “Construction in progress” is individually described in “Tangible Fixed Assets” due to its growing importance in this consolidated fiscal year, although 21,415 million yen was included in and described as “Other Tangible Fixed Assets” of “Tangible Fixed Assets” in the previous consolidated fiscal year.
- (3) “Lease Asset” of 56,722 million yen in “Fixed Assets” is included in and described as “Other Tangible Fixed Assets” of “Tangible Fixed Assets” due to a decrease in its importance in this consolidated fiscal year, although it was individually described in “Tangible Fixed Assets” in the previous consolidated fiscal year.
- (4) “Income Taxes Payable” of 15,251 million yen in “Current Liabilities” is included in and described as “Other Current Liabilities” of “Current Liabilities” due to a decrease in its importance in this consolidated fiscal year, although it was individually described in “Current Liabilities” in the previous consolidated fiscal year.

(Notes to Consolidated Balance Sheet)

1. Inventories

Finished products	213,124 million yen
Work in process	67,845million yen
Raw materials and supplies	57,331million yen
Total	<u>338,300 million yen</u>

2. Collateral Assets and Liabilities of the Collateral

(1) Collateral Assets

Cash and deposits	23,429 million yen
Notes and accounts receivable	60,022 million yen
Inventories	214,763 million yen
Non-trade accounts receivable	9,329 million yen
Buildings and structures	162,561 million yen
Machinery, equipment and vehicles	9,252 million yen
Tools and furniture	4,358 million yen
Land	83,075 million yen
Investment securities	28,735 million yen
Total	<u>595,524 million yen</u>

(2) Liabilities of the Collateral

Short-term borrowings	477,648 million yen
Long-term borrowings	1,044 million yen
Total	<u>478,692 million yen</u>

Cash and deposits of 21,335 million yen are pledged as collateral for opening a standby letter of credit as of the end of this consolidated fiscal year. In addition, a part of the shares of the consolidated subsidiary, which is subject to elimination of intra-company transactions, is pledged

as collateral of short-term borrowings.

3. Contingent liabilities

(1) Guarantee Liability

Guarantee for employee housing borrowing 17,161 million yen

Guarantee for trade payables

Sharp India Ltd. 53million yen

Total 17,214million yen

(2) Matters related to inventory purchase commitments on raw materials (polysilicon) of solar cells

As described in “Notes concerning Important Matters Presented in Consolidated Financial Statement, 4. Matters Related to Accounting Procedure Standards, (3) Accounting Standard for Important Allowances and Reserves, 6) Method of Appropriation for valuation reserve for inventory purchase commitments,” valuation reserve for inventory purchase commitments is set aside with respect to purchase contracts of raw materials (polysilicon) of solar cells. Some of purchase contracts of raw materials (polysilicon) at year-end prohibit resale of them. Therefore, potential future losses may occur in case raw materials (polysilicon) are no longer likely to be used in the future. The aggregated amount of purchase contracts prohibiting resale of raw materials after deducting valuation reserve for inventory purchase commitments is 38,795 million yen.

(3) Matters related to long-term electricity and others supply contracts at production basis

Sharp entered into long-term contracts with several suppliers with respect to electricity and others necessary to produce solar cells at Sakai Factory. Total amount of future minimum payments of such contracts at the end of this consolidated fiscal year is 43,915 million yen (remaining term is from 2.5 years to 14 years). Each contract shall not be terminated before expiration.

Although such long-term electricity and others supply contracts give Sharp 480 mega-watt production capacity of solar cells per year, actual production quantity currently sits at around 160 mega-watt per year. Such long-term contracts cause more expensive production cost in Energy Solution Business. However, it is difficult to estimate an amount of loss related to such contracts because prevailing market price of electricity and others at Sakai Factory, procurement costs of electricity and others not depending on such contracts, and appropriate production costs based on such market price and procurement costs cannot be determined.

(4) Others

In relation to TFT-LCD business, Sharp and some of its subsidiaries are currently subject to the investigations being conducted by the Directorate General for Competition of the European Commission etc., and civil lawsuits seeking monetary damages resulting from the alleged anticompetitive behavior have been filed against Sharp and some of its subsidiaries in North America, etc.

(Notes to Consolidated Statement of Income)

1. Details of Impairment Loss

Category	Item	Department and Location
Assets for business use (Production equipment of Digital Information Appliances, etc.)	Molds Long-term prepaid expenses, etc.	Digital Information Appliance Division Yaita, Tochigi prefecture
Assets for business use (Production equipment of Energy Solutions, etc.)	Buildings and structures, Machinery, equipment and vehicles Lease Assets, etc.	Energy System Solutions Division Sakai, Osaka prefecture

Assets for business use (Production equipment of LCD, etc.)	Buildings and structures, Machinery, equipment and vehicles Long-term prepaid expenses, etc.	Display Device Business Kameyama, Mie prefecture, Taki, Mie prefecture, etc
Assets for business use (Production equipment of Electronic Components & Devices, etc.)	Buildings and structures, Machinery, equipment and vehicles, etc.	Electronic Components and Devices Business Fukuyama, Hiroshima prefecture Mihara, Hiroshima prefecture
Assets for business use (Production equipment of Digital Information Appliances, etc.)	Buildings and structures, Machinery, equipment and vehicles, etc.	USA, Mexico, Malaysia, etc
Assets for business use (Production equipment of LCD, etc.)	Machinery, equipment and vehicles, etc.	China
unemployed capital	Buildings, Lands	Electronic Components and Devices Business Fukuyama, Hiroshima prefecture
—	Goodwill	USA

Sharp group categorizes assets for business use in view of business facility, type of business and others in a comprehensive manner. Idle assets are categorized by each asset.

Sharp group reduced the book value of Assets for business use locating at Digital Information Appliance Division to an estimated recoverable amount due to the decreasing profitability and the unlikelihood of recouping investment, and recognized the decreased amount 3,892 million yen as an impairment loss in special loss this consolidated fiscal year. Details are as follows: 973 million yen for molds; 2,596 million yen for long-term prepaid expenses; 323 million yen for others. The estimated recoverable amount is evaluated at zero (0) due to the unlikelihood of cash flow in the future, although this amount is normally evaluated in accordance with use value.

Sharp group reduced the book value of Assets for business use locating at Energy System Solutions Division to an estimated recoverable amount due to the decreasing profitability and the unlikelihood of recouping investment, and recognized the decreased amount 9,267 million yen as an impairment loss in special loss this consolidated fiscal year. Details are as follows: 5,344 million yen for buildings and structures; 1,229 million yen for machinery, equipment and vehicles; 2,547 million yen for lease assets; 147 million yen for others. The estimated recoverable amount for buildings and land are determined by the net realizable value based on the estate appraisal valuation. The net realizable value for the other assets is evaluated at zero (0).

Sharp group reduced the book value of Assets for business use locating at Display Device Business to an estimated recoverable amount due to the decreasing profitability and the unlikelihood of recouping investment, and recognized the decreased amount 77,709 million yen as an impairment loss in special loss this consolidated fiscal year. Details are as follows: 41,503 million yen for buildings and structures; 22,798 million yen for machinery, equipment and vehicles; 12,508 million yen for long-term prepaid expenses; 900 million yen for others. The estimated recoverable amount for buildings, machinery and equipment, and land are determined by the net realizable value based on the estate appraisal valuation. The net realizable value for the other assets is

evaluated at zero (0).

Sharp group reduced the book value of a part of Assets for business use locating at Electronic Components and Devices Business to an estimated recoverable amount due to scheduled review and concentration of production system, and recognized the decreased amount 6,293 million yen as an impairment loss in special loss this consolidated fiscal year. Details are as follows: 3,078 million yen for buildings and structures; 3,066 million yen for machinery, equipment and vehicles; 149 million yen for others. The estimated recoverable amount for buildings and land are determined by the net realizable value based on the estate appraisal valuation. The net realizable value for the other assets is evaluated at zero (0).

Sharp group reduced the book value of Assets for business use locating at a part of consolidated subsidiaries in U.S.A, Mexico, Malaysia, China and others to an estimated recoverable amount due to the decreasing profitability and the unlikelihood of recouping investment, and recognized the decreased amount 3,690 million yen as an impairment loss in special loss this consolidated fiscal year. Details are as follows: 1,851 million yen for buildings and structures; 1,367 million yen for machinery, equipment and vehicles; 472 million yen for others. The estimated recoverable amount is determined by the net realizable value based on the estate appraisal valuation and others.

Sharp group reduced the book value of unemployed capital locating at Electronic Components and Devices Business to an estimated recoverable amount due to the unlikelihood of use in the future, and recognized the decreased amount 1,337 million yen as an impairment loss in special loss this consolidated fiscal year. Details are as follows: 1,286 million yen for buildings; 51 million yen for land. The estimated recoverable amount for buildings and land are determined by the net realizable value based on the estate appraisal valuation.

In addition, Sharp group reduced the value of goodwill and recognized the decreased amount of 1,827 million yen as an impairment loss due to the unlikelihood of an estimated profitability to be generated by the consolidated subsidiaries in U.S.A.

2. Restructuring charges

Details of restructuring charges are as follows:

- (1) Employee termination payments associated with personnel rationalization, transition to new value chain and others, contracts termination penalties, additional costs on product warranty due to restructuring reform of appliance business in Europe (9,212 million yen)
- (2) Loss associated with transfer of equity interests of Sharp Manufacturing Poland, which is a subsidiary of Sharp located in Poland and production bases of LCD TVs (5,476 million yen)
- (3) Costs of exiting from a part of research and develop project of LCD TVs business (3,338 million yen)
- (4) Mainly employee termination payments due to restructuring reform of overseas LCD TVs business (3,213 million yen)

3. Settlement

Regarding thin-film solar cells produced by 3Sun s. r. l., an overseas affiliated company to which the equity method is applied, Sharp recognized a loss due to payment to Enel Green Power S. p. A. of certain consideration

for undertaking to purchase from Sharp thin-film solar cells Sharp is originally responsible for purchasing based on the long-term supply contract as settlement (14,382 million yen) in special loss.

(Notes to Consolidated Statement of Changes in Net Assets)

1. Type and Number of Issued Shares as at the End of This Consolidated Fiscal Year
Common Stock 1,701,214,887 shares
2. Matters concerning Dividends
 - (1) Amount of Dividends Paid
It is not applicable.
 - (2) Dividends with record date included in this consolidated fiscal year, which become effective in the following consolidated fiscal year.
It is not applicable.

(Note to Financial Instruments)

1. Matters Related to the Status of Financial Instruments
Sharp Group procures necessary funds mainly through bank loans and issuing bonds in light of its capital investment plan for its main business of manufacturing and distributing products, including but not limited to, telecommunication equipment, electric equipment, electronics applied equipment, and electronic components. Short-term operating funds are procured through bank loans. Long-term borrowings and straight bonds are used to procure funds principally necessary for capital investment. Derivative transactions are transactions of exchange contracts in order to hedge exposure to risks of exchange rate fluctuations on accounts receivable and payable and so on in foreign currencies.
Transactions involving such financial instruments are made with creditworthy financial institutions.
For accounts receivables of Sharp, Sharp periodically monitors the status of its key customers, administers their respective deadlines and remaining balances, and makes efforts to recognize at an early stage and reduce irrecoverable risks due to deteriorating financial conditions or any other reasons. Consolidated subsidiaries are also involved in the same monitoring and administration as we are.

2. Matters Related to Fair Value and Others of Financial Investments

The consolidated balance sheet amount, the fair value and difference between the two as of March 31, 2015 are as follows:

(Millions of Yen)

	Consolidated Balance Sheet Amount	Fair Value	Difference
(1) Cash and deposits	258,493	258,493	—
(2) Notes and accounts receivable	414,014	413,030	-984
(3) Non-trade accounts receivable	195,711	195,711	—
(4) Securities and investments in securities			
1) Shares of subsidiaries and affiliates	475	2,632	2,157
2) Other securities	31,447	31,447	—
Total of Assets	900,140	901,313	1,173

(5) Notes and accounts payable	334,545	334,545	—
(6) Electronically recorded obligations	89,338	89,338	—
(7) Short-term borrowings	840,026	840,026	—
(8) Straight bonds	60,000	53,122	-6,878
(9) Long-term borrowings	53,470	55,144	1,674
Total of Liabilities	1,377,379	1,372,175	-5,204
(10) Derivative transactions*	4,018	1,404	-2,614

*Net receivables and payables arising from derivative transactions are indicated, and net payables are indicated by “—.”

(Note 1) Methods of Calculating the Fair Value of Financial Instruments and Matters Related to Securities and Derivative Transactions

(1) Cash and Deposits

As the fair value of deposits approximates their book value due to their short maturity, they are stated at book value.

(2) Notes and Accounts Receivable

As the fair value of notes and accounts receivable with a short maturity approximates their book value, they are stated at book value. For the fair value of accounts receivable with a long maturity, the amount of each accounts receivable classified based on certain terms is discounted using a rate which reflects both the period until maturity and credit risk.

(3) Non-trade accounts receivable

As the fair value of non-trade accounts receivable approximates their book value due to their short maturity, they are stated at book value.

(4) Securities and Investments in Securities

The fair value of securities and investments in securities is based on average prices on the relevant exchanges during the last month of the fiscal year.

(5) Notes and Accounts Payable

As the fair value of notes and accounts payable approximates their book value due to their short maturity, they are stated at book value.

(6) Electronically recorded obligations

As the fair value of electronically recorded obligations approximates their book value due to their short maturity, they are stated at book value.

(7) Short-term Borrowings

As the fair value of short-term borrowings approximates their book value due to their short maturity, they are stated at book value.

(8) Straight Bonds

Straight bonds are stated at the price on the relevant exchange.

(9) Long-term Borrowings

For the fair value of long-term borrowings, the total amount of the principal and interest is discounted using the rate which would apply if similar borrowings were newly made.

(10) Derivative Transactions

The fair value of such transactions, including exchange contracts as the appropriation processing is adopted for, is computed by using the forward exchange rate at fiscal year end.

(Note2) As unlisted stocks (consolidated balance sheet amount of 110,240 million yen) and equity (consolidated

balance sheet amount of 25,633 million yen) have no market price and as it is impossible to estimate future cash flows, it is extremely difficult to determine their fair value. Therefore, they are not included in “(4) Securities and Investments in Securities”.

(Note to Leased Properties)

Conditions and market value of leased properties are omitted, as there is no significant importance.

(Note to Per Share Information)

1. Net assets per share	17.84 yen
2. Net loss per share	131.51 yen

(Note to Significant Subsequent Events)

The Company passed a resolution for following 3 matters at the board of directors meeting held on May 14, 2015.

1. Issuance of class shares by a third party allotment

(1) Class A Shares

a) Payment date

June 30, 2015

b) Number of shares to be issued

200,000 shares

c) Amounts of procurement funds

200,000,000,000 yen (1,000,000 yen per share)

d) Capital and capital reserve to be increased

Capital 100,000,000,000 yen (500,000 yen per share)

Capital reserve 100,000,000,000 yen (500,000 yen per share)

e) Subscription and allotment method (Planned allottee)

Allotted by a third party allotment method.

Allotted by a third party allotment method.

Mizuho Bank, Ltd. 100,000 shares

The Bank of Tokyo-Mitsubishi UFJ, Ltd. 100,000 shares

f) Specific usage of funds to be procured

Specific usage	Amounts	Planned time of spending
Repayment of the Company's and the Company's subsidiary's debt owed to Mizuho Bank group	100,000 million yen	June 2015
Repayment of the Company's and the Company's subsidiary's debt owed to The Bank of Tokyo-Mitsubishi UFJ group	100,000 million yen	June 2015

g) Others

The dividend rate (annual) of Class A Shares is set by adding 2.5% to Japanese yen TIBOR (6 months), and Class A shares are cumulative and non-participating. In addition, Class A shareholders are entitled to receive dividends in preference to common shareholders.

Class A Shares have no voting right and assignments are restricted.

Put options the consideration for which is common shares, put options the consideration for which is cash,

and call options the consideration for which is cash are attached to Class A Shares.

The maximum dilution rate will be approximately 118.7%, if all the put options attached to Class A Shares the consideration for which are common shares are exercised, assuming no amount equal to the accumulated unpaid dividends and no daily prorated unpaid preferred dividend amount for the Class A Shares exist.

The put option the consideration for which is common shares can be exercised only on or after July 1, 2019.

The payments for the Class A Shares by the Alloted Banks are subject to approval by 121st Ordinary General Meeting of Shareholders to be held on June 23, 2015 (“this Ordinary General Meeting of Shareholders) of matters such as Revision of Articles of Incorporation, the issuance of Class Shares,

Decreases in Capital, etc., reasonable certainty that payment will be received for the Class B Shares from Japan Industrial Solutions, Ltd. (“JIS”) and reconciliation among financial institutions which the Alloted Banks are reasonably satisfied with, etc.

(2) Class B Shares

a) Payment date

June 30, 2015

b) Number of shares to be issued

25,000 shares

c) Amounts of procurement funds

25,000,000,000 yen (1,000,000 yen per share)

d) Capital and capital reserve to be increased

Capital 12,500,000,000yen (500,000 yen per share)

Capital reserve 12,500,000,000yen (500,000 yen per share)

e) Subscription and allotment method (Planned allottee)

Allotted by a third party allotment method.

JIS25,000 shares

f) Specific usage of funds to be procured

Specific usage	Amounts	Planned time of spending
New installation and replacement of mechanical equipment, etc. for achieving higher definitions and improving yields, and other rationalization investments, etc. in the LCD business	17,600 million yen	July 2015 to March 2018
Investment in molds for new products for Japan, China and Asia, and rationalization investments, etc. in each domestic and overseas factory in the health and environment business	4,000 million yen	July 2015 to March 2018
Investment in molds for new products, and rationalization investments, etc. in each domestic and overseas factory in the business solutions business	3,000 million yen	July 2015 to March 2018

g) Others

The dividend rate (annual) of Class B Shares is set at 7.0% if the record date for a dividend from surplus belongs to a business year ending before the end of March, 2018 and at 8.0% if the record date for dividends from surplus belongs to a business year starting after April 1, 2018, and Class B Shares are non-participating

and cumulative. In addition, Class B shareholders are entitled to receive dividends in preference to Class A shareholders and common shareholders. Class B Shares have no voting right and assignments are restricted. Put options the consideration for which is common shares, and call options the consideration for which is cash are attached to Class B Shares

Put options the consideration for which is cash are not attached to Class B Shares.

The maximum dilution rate will be approximately 20.8%, if all the put options attached to Class B Shares the consideration for which is common shares are exercised, assuming no amount equal to accumulated unpaid dividends and no daily prorated unpaid preferred dividend amount for the Class B Shares exist.

The Company and JIS agreed to the exercise conditions for the put options attached to Class B Shares the consideration for which is common shares in the subscription agreement, and consequently the Company's common shares will be issued through the exercise of the put options the consideration for which is common shares basically on or after July1, 2018.

The payment for the Class B Shares by JIS is subject to this Ordinary General Meeting of Shareholders' approval of matters such as Revision of Articles of Incorporation, the issuance of the Class Shares and Decreases in Capital, etc., the appointment of two outside director named by JIS in advance etc., the completion of the payment for Class A Shares by the Alloted Banks and consents of reconciliation among financial institutions with which JIS is reasonably satisfied, etc.

2. Decreases in Capital, etc.

(1) Purpose of decreases in capital, etc.

In order for the Company to promptly improve its financing standing to prepare for a dynamic and flexible capital policy in the future, the Company decided to decrease in capital, etc. to transfer distributable amounts to other capital surplus. And the Company also decided to dispose of surplus in accordance with the provision of Article 452 of the Companies Act to cover deficiencies in retained earnings carried forward by using other capital surplus increased by Decreases in Capital, etc.

(2) Terms and conditions of Decreases in Capital, etc.

a) Amounts of capital to be decreased June 30, 2015

233,884,726,500 yen

b) Amounts of capital reserve to be decreased

196,759,726,500 yen

c) Method of Decreases in Capital, etc.

After implementing Decreases in Capital, etc. based on the provisions of Article 447, Paragraph 1 and Article 448, Paragraph 1 of the Companies Act, the Company will transfer the total amount of capital and capital reserve to other capital surplus.

d) Schedule for Decreases in Capital, etc.

May 14, 2015 (Thursday)	Resolution of Board of Directors meetings relating to Decreases in Capital, etc. Resolution of Board of Directors meetings relating to proposal to Decreases in Capital, etc. to be discussed by Ordinary General Meeting of Shareholders
May 29, 2015 (Friday)	Public notice with respect to statements of objection by creditors(planned)
June 23, 2015 (Tuesday)	Resolution of Ordinary General Meeting of Shareholders (planned)
June 29, 2015 (Monday)	Final deadline for statements of objection by creditors(planned)
June 30, 2015 (Tuesday)	Effective date of Decreases in Capital, etc. (planned)

e) Others

Decreases in Capital, etc. are subject to issuance of the Class A shares and Class B shares becoming effective. Decreases in Capital, etc. is a transfer appropriation in which capital and capital reserves in net assets as indicated on the balance sheet are transferred to the account of other capital surplus, which does not change the Company's net asset amounts

3. Terms and conditions of Appropriation of Surplus

(1) Amounts of capital reserve to be decreased

Other capital surplus 219,780,861,290yen

(2) Amounts of capital reserve to be decreased

Retained earnings carried forward 219,780,861,290 yen

(3) Schedule of Appropriation of Surplus

May 14, 2015 (Thursday)	Resolution of Board of Directors meetings relating to Appropriation of Surplus Resolution of Board of Directors meetings relating to proposal to Appropriation of Surplus to be discussed by Ordinary General Meeting of Shareholders
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June 23, 2015 (Tuesday)	Resolution of Ordinary General Meeting of Shareholders (planned)
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June 30, 2015 (Tuesday)	Effective date of Appropriation of Surplus (planned)
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(4) Others

Appropriation of Surplus is subject to the Decreases in Capital, etc. becoming effective. The Appropriation of Surplus is a transfer appropriation in which other capital surplus in net assets as indicated on the balance sheet is transferred to the account of retained earnings carried forward, which does not change the Company's net asset amounts.

4. Voluntary Retirement Program

(1) Backgrounds to calling for voluntary retirement

Sharp Group is currently engaged in business reinforcement measures and improving its balance sheet to recover the business performance. As examples of such efforts, Sharp aims to introduce company-system to strengthen adaptation to clients and business criteria to realize independent management, and also to establish the basis for stable profitability by downsizing of bases, streamlining headquarter, and adjusting employment to an appropriate level. Under this circumstance, Sharp has decided to offer a voluntary retirement program with sufficient financial support and re-employment assistance to employees who would seek working opportunities outside Sharp Group.

(2) Outline of voluntary retirement program

a) Applied companies: Sharp Corporation and its major consolidated subsidiaries in Japan

b) Number of accepting application: approx. 3,500 personnel

c) Application period: in late July 2015 (scheduled)

d) Date of retirement: September 30, 2015 (scheduled)

(3) Outline of voluntary retirement program

Sharp estimates the expense for the voluntary retirement program as total of approx. 35 billion yen among Sharp Group in Japan.

The number of applicants for voluntary retirement is yet to be fixed.

(Note to Others)

Business Combinations

Business Divestitures

Transfer of all interests and shares of consolidated subsidiaries, Recurrent Energy, LLC (“Recurrent”) and Sharp US Holding Inc. (“SUH”)

1. Outline of business divestitures

(1) Name of parties who succeed the divested business

Canadian Solar Energy Acquisition Co. (“CSEA”) and Momentum Partners, LLC (“Momentum”)

(2) Nature of divested business

Development and sale of solar power generation plants in the U.S.

(3) Aim of business divestiture

The development and sale of solar power generation plants run by Recurrent needs sufficient funds for initial development costs, and its profits are highly variable. Therefore, the Company had examined various solutions, including the sale of Recurrent. Since there was an offer of purchasing 100% of the interests in Recurrent, the Company transferred all interests in Recurrent to CSEA.

After completing the interests transfer, the Company transferred all shares of SUH, the holding company of Recurrent (parent company), to Momentum.

(4) Date of business divestiture

[1] Interest transfer of Recurrent: March 30, 2015

[2] Share transfer of SUH: March 30, 2015

(5) Other items with regard to outline of transactions which include description of legal form

Business transfer for which the Company will receive only assets such as cash as consideration

2. Outline of accounting method

(1) Transfer profit and loss

Gain on sales of investment securities	11,006 million yen
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(2) Appropriate book value of the assets and liabilities transferred and its main items

Current assets	11,566 million yen
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Noncurrent assets	25,411 million yen
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Total assets	36,977 million yen
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Current liabilities	3,936 million yen
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Long-term liabilities	2,056 million yen
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Total liabilities	5,992 million yen
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(3) Accounting method

The difference between the amount received as a value of transferred business and the amount of owner's equity regarding the transferred business is recognized as transfer profit or loss. This accounting method is assuming that the investment regarding transferred business of development and sale of solar power generation plants in the U.S. is liquidated.

3. The name of reportable segment in which transferred business was included

Product Business segment

4. Estimated amount of profit and loss regarding divested business, which was recorded in consolidated financial results for the year ended March 31, 2015

Net sales	20,116 million yen
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Operating loss	719 million yen
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[Attachment 6]

BALANCE SHEET (based on non-consolidated results)

(As of March 31, 2015)

(Millions of Yen)

ASSETS		LIABILITIES	
Current Assets	888,831	Current Liabilities	1,441,247
Cash and deposits	203,365	Notes payable	1,748
Notes receivable	123	Electronically recorded obligations	86,574
Accounts receivable	375,024	Accounts payable	262,738
Finished products	105,627	Short-term borrowings	752,137
Work in process	57,243	Lease liabilities	6,098
Raw materials and supplies	21,234	Accounts payable-other	57,375
Advances	27,442	Accrued expenses	119,696
Prepaid expenses	773	Income taxes payable	663
Other current assets	101,281	Deferred tax liabilities	279
Allowance for doubtful receivables	-3,284	Advances received	40,033
		Deposits received	34,394
		Accrued employees' bonuses	8,300
		Accrued product warranty	10,025
Non-Current Assets	676,100	Provision for loss on litigation	4,186
Tangible Fixed Assets	303,056	Provision for business structure improvement	2,338
Buildings	158,215	Valuation reserve for inventory purchase commitments	54,654
Structures	7,752	Other current liabilities	3
Machinery and equipment	16,992		
Vehicles	21	Long-term Liabilities	129,748
Tools and furniture	11,900	Straight bonds	60,000
Land	81,824	Long-term borrowings	52,000
Lease assets	9,191	Lease liabilities	7,524
Construction in progress	17,157	Deferred tax liabilities	7,749
		Other long-term liabilities	2,475
Intangible Fixed Assets	28,644	Total Liabilities	1,570,996
Industrial property	1,005	NET ASSETS	
Rights to use facilities	160	Owners' Equity	-15,843
Software	27,457	Common Stock	121,884
Other intangible fixed assets	21	Capital Surplus	95,945
		Capital reserve	84,384
Investments and Other Assets	344,399	Other capital surplus	11,560
Investment securities	57,220	Retained Earnings	-219,780
Stocks of subsidiaries and affiliates	228,502	Other retained earnings	-219,780
Investments in capital of subsidiaries and affiliates	35,076	Reserve for special depreciation	4
Long-term prepaid expenses	13,420	Reserve for advanced depreciation on non-current assets	4,253
Prepaid pension cost	5,316	Retained earnings carried forward	-224,037
Other fixed assets	5,425	Treasury Stock	-13,892
Allowance for doubtful receivables	-562	Valuation and Translation Adjustments	9,862
		Net Unrealized Holding Gains on Securities	9,291
Deferred Assets	83	Deferred Gains on Hedges	571
Bond issue cost	83		
		Total Net Assets	-5,980
Total Assets	1,565,015	Total Liabilities and Net Assets	1,565,015

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

[Attachment 7]

STATEMENT OF INCOME (based on non-consolidated results)

(From April 1, 2014 to March 31, 2015)

(Millions of Yen)

Net Sales	2,157,508
Cost of sales	2,028,442
Gross profit	129,066
Selling, general and administrative expenses	205,613
Operating loss	76,547
Non-Operating Income	50,660
Interest and dividend income	36,255
Other non-operating income	14,404
Non-Operating Expenses	89,707
Interest expenses	21,026
Other non-operating expenses	68,680
Recurring loss	115,595
Special Income	49,896
Gain on sales of noncurrent assets	7,164
Gain on sales of investment securities	5,991
Gain on sales of subsidiaries and affiliates' stocks	17,505
Reversal of provision for loss on litigation	19,234
Special Losses	136,594
Loss on sales and retirement of noncurrent assets	2,001
Impairment loss	98,498
Loss on valuation of investment securities	5
Loss on sales of investment securities	5
Loss on valuation of stocks of subsidiaries and affiliates	2,127
Loss on valuation of investments in capital of subsidiaries and affiliates	3,764
Loss on sales of stocks of subsidiaries and affiliates	51
Restructuring charges	13,482
Provision for loss on litigation	2,140
Settlement	14,517
Loss before income taxes	202,292
Corporate income, inhabitant and business taxes	3,989
Adjustment to income taxes	-3,218
Net loss	203,064

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

[Attachment 8]

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

(From April 1, 2014 to March 31, 2015)

(Millions of Yen)

	Owners' Equity						
	Common Stock	Capital Surplus			Retained Earnings		
		Capital Reserve	Other Capital Surplus	Total Capital Surplus	Other Retained Earnings		Total Retained Earnings
					Reserve for Special Depreciation	Reserve for Deferred Gains on Fixed Assets	Retained Earnings Carried Forward
Balance at April 1, 2014	121,884	84,384	11,565	95,949	125	4,131	-20,803
Cumulative effect of change in accounting policies							-168
Balance at April 1, 2014, reflecting change in accounting policies	121,884	84,384	11,565	95,949	125	4,131	-20,972
Changes of items during the period							
Reversal of reserve for special depreciation					-121		121
Reversal of reserve for advanced depreciation on non-current assets						-102	102
Changes of Reserve for advanced depreciation of noncurrent assets with the change of the tax rate						224	-224
Net loss							-203,064
Purchase of treasury stock							
Disposal of treasury stock			-4	-4			
Net changes of items other than owners' equity							
Total changes of items during the period	—	—	-4	-4	-121	122	-203,065
Balance at March 31, 2015	121,884	84,384	11,560	95,945	4	4,253	-224,037

	Owners' Equity		Valuation and Translation Adjustments			Total Net Assets
	Treasury Stock	Total Owners' Equity	Net Unrealized Holding Gains on Securities	Deferred Gains on Hedges	Total Valuation and Translation Adjustments	
Balance at April 1, 2014	-13,888	187,398	5,993	19	6,013	193,411
Cumulative effect of change in accounting policies		-168				-168
Balance at April 1, 2014, reflecting change in accounting policies	-13,888	187,230	5,993	19	6,013	193,243
Changes of items during the period						
Reversal of reserve for special depreciation		—				—
Reversal of reserve for advanced depreciation on non-current assets		—				—
Changes of Reserve for advanced depreciation of noncurrent assets with the change of the tax rate		—				—
Net loss		-203,064				-203,064
Purchase of treasury stock	-10	-10				-10
Disposal of treasury stock	5	1				1
Net changes of items other than owners' equity			3,297	551	3,849	3,849
Total changes of items during the period	-4	-203,073	3,297	551	3,849	-199,224
Balance at March 31, 2015	-13,892	-15,843	9,291	571	9,862	-5,980

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

[Attachment 9]

Individual Explanatory Notes

(Notes concerning Matters relating to Material Accounting Policies)

1. Valuation Standards and Methods for Assets

(1) Valuation Standards and Methods for Securities

Shares of Subsidiaries and Affiliates:

Stated at average cost.

Other securities

- Securities with available fair market values:

Stated at fair market value based on average of market price during the last month of the fiscal year (valuation differences are disposed using the direct net asset adjustment method and the cost of securities sold is calculated using the average cost method).

- Securities with no available fair market value:

Stated at average cost.

(2) Valuation Standards and Methods for Inventories

Finished products, raw materials and work in process:

Stated at moving average cost (for the book value of inventories on the balance sheets, by writing inventories down based on their decrease in profitability of assets).

Supplies:

Stated at the current production and purchase costs.

2. Depreciation Methods Used for Non-current Assets

Tangible Fixed Assets:

(1) Method of Depreciation for Property, Plant and Equipment (Except for Lease Assets)

Depreciation of plant and equipment is based on the declining balance method, except for machinery and equipment in the Mie and Kameyama Plants, which are depreciated on the straight-line method.

However, buildings (excluding annexed structures) obtained on or after April 1, 1998 are depreciated on the straight-line method.

(2) Method of Amortization for Intangible Fixed Assets (Except for Lease Assets)

Amortization is based on the straight-line method.

Software used by Sharp is amortized by the straight-line method over an estimated useful life of principally five (5) years, however, software embedded in products is amortized over the forecasted sales quantity.

(3) Method of Depreciation for Lease Assets

Finance leases that do not transfer ownership

Depreciation is based on the straight-line method that takes the lease period as the depreciable life and the residual value as zero (0).

Regarding finance leases of Sharp that do not transfer ownership, for which the starting date for the lease transaction is prior to March 31, 2008, lease payments are recognized as expenses.

3. Accounting Standard for Allowances and Reserves

(1) Allowance for Doubtful Receivables

The estimated amounts of allowance for general receivables are primarily determined based on the past loss experience. For particular receivables, including those from debtors at risk of bankruptcy, the allowance is provided for individually estimated unrecoverable amounts. This procedure is made against possible credit loss.

(2) Accrued Employees' Bonuses

The reserve for payment of employees' bonuses is set aside based on estimated amounts to be paid in the subsequent period.

(3) Accrued Product Warranty

Estimated amounts of warranty are accrued based on the past experience. This procedure is made against expense for after-sales service within the warranty period.

(4) Provision for Loss on Litigation

Out of possible future loss on litigation, the amount to be considered necessary is estimated.

(5) Restructuring Charges

The estimated amounts of allowance for restructuring charges are set aside. This procedure is made against expense for possible future loss due to structural reform.

(6) Valuation reserve for inventory purchase commitments

Regarding long-term contracts for purchasing raw materials over a long time frame, the amounts of difference between contracted price and current market price are set aside as allowance for contract loss. This procedure is made against future possible loss in case the market price of materials declines significantly from the contracted price and fulfillment of the contract causes a loss in production and sale business.

A long-term contract for purchasing polysilicon, which is a raw material of solar cells, obliges Sharp to purchase it at a significantly higher price than current market price. The business plan of Sharp is based on the assumption that its obligation to purchase polysilicon at higher price than market price is fulfilled. In addition to this, there was intensified price competition caused by overseas manufacturers, a drop in the price of solar panels due to a decreased buying rate of the feed-in tariff system, and a deteriorated business environment such as large fluctuations in exchange rates. These factors made it difficult for Sharp to secure profit. In this connection, from the year ended March 31, 2015, a valuation reserve for inventory purchase commitments was recorded as for a long-term contract for purchasing polysilicon.

(7) Allowance for Severance and Pension Benefits

To provide for employees' severance and pension benefits, reserves are set aside based on the estimated amounts of projected benefit obligation.

The estimated amount of all retirement benefits to be paid at future retirement dates is allocated to each service year based on point criterion.

Prior service costs are amortized over the average of the estimated remaining service lives [fourteen (14) years].

Actuarial losses are recognized primarily in expenses over the average of estimated remaining service lives [fourteen (14) years] commencing with the following period.

4. Other Important Matters Presented in Financial Statements

(1) Method for Amortization for Deferred Assets

Bond Issue Cost:

Bond issue cost is amortized under the straight-line method over the redemption period

(2) Accounting for Consumption Taxes, etc.

The tax exclusion method is applied.

(3) Adoption of Consolidated Tax Return System

The consolidated tax return system is adopted.

(Notes concerning Changes in Accounting Policies)

Changes in accounting policies

Effective from the year ended March 31, 2015, the Company adopted the “Accounting Standard for Retirement Benefits” (ASBJ Statement No.26 on May 17, 2012) and the “Guidance on Accounting Standard for Retirement Benefits” (Statement No.25 on March 26, 2015). The Company reviewed the method of calculating retirement benefit obligations and service costs, and changed the method of attributing expected benefit to periods primarily from point basis to a benefit formula basis.

In accordance with transitional accounting as stipulated in paragraph 37 of the Accounting Standard for Retirement Benefits, the effect of the changes in the method of calculating retirement benefit obligations and service costs was recognized as an adjustment to retained earnings at the beginning of the year ended March 31, 2015.

This change had an immaterial impact on net defined benefit liability and retained earnings at the beginning of the year ended March 31, 2015, as well as financial statements for the year ended March 31, 2015.

Changes in accounting estimates

Sharp Corporation previously amortized actuarial gain/loss and past service costs on the severance and pension benefits over 15 years. Effective from the year ended March 31, 2015, the amortization period has been changed to 14 years because the average of the estimated remaining service years decreased.

This change had an immaterial impact on financial statements for the year ended March 31, 2014.

(Notes to Balance Sheet)

1. Collateral Assets and Liabilities of the Collateral

(1) Collateral Assets

Cash and deposits	21,335	million yen
Notes receivable	36	million yen
Accounts receivable	68,024	million yen
Finished products	104,231	million yen
Work in process	57,243	million yen
Raw materials and supplies	16,820	million yen
Other current assets	10,749	million yen
Buildings	153,795	million yen
Structures	7,500	million yen
Machinery and equipment	9,103	million yen
Vehicles	13	million yen
Tools and furniture	4,358	million yen
Land	81,824	million yen
Investment securities	27,562	million yen
Stocks of subsidiaries and affiliates	20,979	million yen

Investments in capital of subsidiaries and affiliates	569	million yen
Total	584,147	million yen
(2) Liabilities of the Collateral		
Short-term borrowings	464,420	million yen

Cash and deposits of 21,335 million yen are pledged as collateral for opening a standby letter of credit as of the end of this fiscal year.

2. Accumulated depreciation of tangible fixed assets 1,828,115 million yen

3. contingent liabilities

(1) Guarantee Liability

Guarantee for employee housing borrowing	17,160	million yen
Guarantee for bank loans		
P.T. Sharp Semiconductor Indonesia	60	million yen
Guarantee for trade payables		
Sharp India Ltd.	53	million yen
Guarantee for lease obligations		million yen
Sharp Business Systems (France) SAS	381	million yen
Sharp Business Systems (UK) PLC	125	million yen
Sharp Electronics (Italia) S.p.A.	44	million yen
Sharp Electronics Benelux B.V.	7	million yen
Total	17,832	million yen

(2) Matters related to inventory purchase commitments on raw materials (polysilicon) of solar cells

As described in “Notes concerning Matters relating to Material Accounting Policies, 3. Accounting Standard for Allowance and Reserves, (6) Method of Appropriation for valuation reserve for inventory purchase commitments,” valuation reserve for inventory purchase commitments is set aside with respect to purchase contracts of raw materials (polysilicon) of solar cells. Some of purchase contracts of raw materials (polysilicon) at year-end prohibit resale of them. Therefore, potential future losses may occur in case raw materials (polysilicon) are no longer likely to be used in the future. The aggregated amount of purchase contracts prohibiting resale of raw materials after deducting valuation reserve for inventory purchase commitments is 38,794 million yen.

(3) Matters related to long-term electricity and others supply contracts at production basis

Sharp entered into long-term contracts with several supplier with respect to electricity and others necessary to produce solar cells at Sakai Factory. Total amount of future minimum payments of such contracts at the end of this consolidated fiscal year is 43,915 million yen (remaining term is from 2.5 years to 14 years). Each contract shall not be terminated before expiration.

Although such long-term electricity and others supply contracts give Sharp 480 mega-watt production capacity of solar cells per year, actual production quantity currently sits at around 160 mega-watt per year. Such long-term contracts cause more expensive production cost in Energy Solution Business. However, it is difficult to estimate an amount of loss related to such contracts because prevailing market price of electricity and others at Sakai Factory, procurement costs of electricity and others not depending on such contracts, and appropriate production costs based on such market price and procurement costs cannot be determined.

(4) Others

In relation to TFT-LCD business, Sharp and some of its subsidiaries are currently subject to the investigations being conducted by the Directorate General for Competition of the European Commission etc., and civil lawsuits seeking monetary damages resulting from the alleged anticompetitive behavior have been filed against Sharp and some of its subsidiaries in North America, etc.

4.	Short-term monetary claims to subsidiaries and affiliates	281,259	million yen
	Long-term monetary claims to subsidiaries and affiliates	665	million yen
	Short-term monetary liabilities to subsidiaries and affiliates	225,840	million yen
	Long-term monetary liabilities to subsidiaries and affiliates	6,896	million yen

(Notes to Statement of Income)

1.	Amount of sales to affiliates	1,549,157	million yen
	Amount of goods purchased from affiliates	1,098,837	million yen
	Amount of transactions with affiliates other than business transactions	78,574	million yen

2. Details of Impairment Loss

Category	Item	Department and Location
Assets for business use (Production equipment of Digital Information Appliances, etc.)	Molds Long-term prepaid expenses, etc.	Digital Information Appliance Division Yaita, Tochigi prefecture
Assets for business use (Production equipment of Energy Solutions, etc.)	Buildings Structures, Machinery and equipment Lease Assets, etc.	Energy System Solutions Division Sakai, Osaka prefecture
Assets for business use (Production equipment of LCD, etc.)	Buildings, Machinery and equipment Long-term prepaid expenses, etc.	Display Device Business Kameyama, Mie prefecture, Taki, Mie prefecture, etc
Assets for business use (Production equipment of Electronic Components & Devices, etc.)	Buildings, Structures, Machinery and equipment, etc.	Electronic Components and Devices Business Fukuyama, Hiroshima prefecture Mihara, Hiroshima prefecture
Assets for business use (Production equipment of Digital Information Appliances, etc.)	Buildings, Lands	Electronic Components and Devices Business Fukuyama, Hiroshima prefecture

Sharp categorizes for business use in view of business facility, type of business and others in a comprehensive manner. Idle assets are categorized by each asset.

Sharp group reduced the book value of Assets for business use locating at Digital Information Appliance Division to an estimated recoverable amount due to the decreasing profitability and the unlikelihood of recouping investment, and recognized the decreased amount 3,891 million yen as an impairment loss in special loss this consolidated fiscal year. Details are as follows: 973 million yen for molds; 2,595 million yen for long-term prepaid expenses; 322 million yen for others. The estimated recoverable amount is evaluated at zero (0) due to the unlikelihood of cash flow in the future, although this amount is normally evaluated in accordance with use value.

Sharp group reduced the book value of Assets for business use locating at Energy System Solutions Division to an estimated recoverable amount due to the decreasing profitability and the unlikelihood of recouping

investment, and recognized the decreased amount 9,266 million yen as an impairment loss in special loss this consolidated fiscal year. Details are as follows: 4,599 million yen for buildings, 744 million yen for structures; 1,228 million yen for machinery and equipment; 2,546 million yen for lease assets; 147 million yen for others. The estimated recoverable amount for buildings and land are determined by the net realizable value based on the estate appraisal valuation. The net realizable value for the other assets is evaluated at zero (0).

Sharp group reduced the book value of Assets for business use locating at Display Device Business to an estimated recoverable amount due to the decreasing profitability and the unlikelihood of recouping investment, and recognized the decreased amount 77,709 million yen as an impairment loss in special loss this consolidated fiscal year. Details are as follows: 41,503 million yen for buildings; 22,798 million yen for machinery and equipment; 12,508 million yen for long-term prepaid expenses; 900 million yen for others. The estimated recoverable amount for buildings, machinery and equipment, and land are determined by the net realizable value based on the estate appraisal valuation and others. The net realizable value for the other assets is evaluated at zero (0).

(Notes to Statement of Changes in Net Assets)

Type and number of treasury stock as at the end of this fiscal year

Common Stock 10,480,945 shares

(Notes to Deferred Tax Accounting)

The major cause of deferred tax assets are inventory assets, non-current assets, loss carried forward and others. Valuation reserve is deducted from deferred tax assets.

The major cause of deferred tax liabilities are prepaid pension expenses, unrealized gains on securities, net of taxes and others.

(Notes to Fixed Assets Used by Lease)

Regarding finance leases that do not transfer ownership for which the starting date for the lease transaction is prior to March 31, 2008, lease payments are recognized as expenses.

- | | |
|--|-------------------|
| 1. Acquisition cost as of the end of this fiscal year | 3,795 million yen |
| 2. Accumulated depreciation amount as of the end of this fiscal year | 3,700 million yen |
| 3. Prepaid lease payments as of the end of this fiscal year | 94 million yen |

(Notes to Transaction with Related Parties)

Subsidiaries and Affiliates

(Millions of Yen)

Category	Corporate Name	Holding or Held Ratio	Relation of Related Party	Detail of Transaction	Transaction Amount	Account	Balance at the end of the term
Subsidiary	Sharp Electronics Marketing Corporation	Direct holding: 100.0%	Sales of Sharp's products	Sales (Note1)	234,724	Accounts receivable	36,700 (Note10)
				Granting of security (Note3) (Note4) (Note5) (Note6) (Note7)	464,420 (Note 8)	-	-

Subsidiary	Sharp Manufacturing Systems Corporation	Direct holding: 100.0%	Manufacture and sales of mold and manufacturing equipment of Sharp	Granting of security (Note6) (Note7)	464,420 (Note 8)	-	-
Subsidiary	Sharp Energy Solution Corporation	Direct holding: 100.0%	Sales and installation of Sharp's products	Granting of security (Note3) (Note5) (Note6) (Note7)	464,420 (Note 8)	-	-
Subsidiary	Sharp Business Solutions Corporation	Direct holding: 100.0%	Development and Sales of Software, and Sales and after-sale service of Sharp's products	Granting of security (Note3) (Note4) (Note5) (Note7)	464,420 (Note 8)	-	-
Subsidiary	Sharp Niigata Electronics Corporation	Direct holding: 100.0%	Manufacture of Sharp's products	Granting of security (Note6) (Note7)	464,420 (Note 8)	-	-
Subsidiary	Sharp Trading Corporation	Direct holding: 100.0%	Import of Sharp's products and devices	Purchases (Note2)	385,769	Accounts payable	11,642 (Note10)
Subsidiary	iDeep Solutions Corporation	Direct holding: 100.0%	Sales and lease of teleconference system utilizing Sharp's products	Granting of security (Note4) (Note7)	464,420 (Note 8)	-	-
Subsidiary	Sharp Electronics (Shanghai) Co.,Ltd.	Direct holding: 100.0%	Sales of Sharp's device products	Sales (Note1)	170,672	Accounts receivable	28,746
Associated company	Sakai Display	Direct holding: 39.9%	Manufacture of liquid crystal displays	Purchases of products (Note9)	150,076	Accounts payable	28,165 (Note10)

Notes: 1. Price and other trade conditions are determined in view of the market price and others.

2. Price and other trade conditions are determined in view of the market price, costs and others.

3. Notes and accounts receivable of above-mentioned subsidiaries are pledged as collaterals of Sharp's borrowings to financial institutions.

4. Investments in securities of above-mentioned subsidiaries are pledged as collaterals of Sharp's borrowings to financial institutions.

5. Inventories of above-mentioned subsidiaries are pledged as collaterals of Sharp's borrowings to financial institutions.

6. Properties such as land of above-mentioned subsidiaries are pledged as collaterals of Sharp's borrowings to financial institutions.

7. There is no payment of commissions to collaterals

8. The transaction amounts show the balance of secured debt as of the end of this fiscal year. Those relate to the outstanding borrowings of 464,420 million yen by Sharp under loan contract on September 27, 2012 and June 25, 2013.

9. Transaction amount is determined by price negotiations after taking market conditions into account.

10. Consumption tax, etc. are included in the balance at the end of fiscal year.

(Note to per Share Information)

- | | |
|-------------------------|------------|
| 1. Net assets per share | -3.53 yen |
| 2. Net loss per share | 120.10 yen |

(Note to Significant Subsequent Events)

Written in "Note to Significant Subsequent Events" of Consolidated Explanatory Notes.