

(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

May 31, 2016

SHARP CORPORATION

NOTICE OF CONVOCAION OF THE GENERAL MEETING OF CLASS SHAREHOLDERS BY HOLDERS OF THE COMMON SHARES

To Our Shareholders:

We hereby notify you of the convocation of the General Meeting of Class Shareholders of Sharp Corporation (hereinafter referred to as “Sharp”) by Holders of the Common Shares as per the description below.

DESCRIPTION

1. Date and Time: Thursday, June 23, 2016, at 15:30
2. Place: 1-14-15 Shinmachi, Nishi-ku, Osaka

ORIX THEATER

3. Purpose of the Meeting:

Resolution:

Proposal: Partial Amendment to Articles of Incorporation

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- Apart from this General Meeting of Class Shareholders by Holders of the Common Shares, Ordinary General Meeting of Shareholders is separately scheduled from 09:30 am on the same day.
- Shareholders who have the voting right for this General Meeting of Class Shareholders by Holders of the Common Shares is as of May 15th 2016, while for the Ordinary General Meeting of Shareholders is as of March 31st 2016.

REFERENCE INFORMATION REGARDING PROPOSALS

Proposal and Reference Matters

Proposal: Partial Amendment of Articles of Incorporation

1. Reasons for the Amendments

- (1) In order to allow the Class C Shares, which are a new class of shares, to be issued, an addition of new provisions or the like in relation to Class C Shares will be made to the articles of incorporation (proposed amendments to Article 6, Article 6-4, and Article 8).

These amendments to the articles of incorporation shall become effective on condition that the proposal for the partial amendments to the articles of incorporation is approved as proposed at the 122nd ordinary general meeting of shareholders (the “Ordinary General Meeting of Shareholders”), and that the proposal for these amendments to the articles of incorporation is approved as proposed at the general meeting of class shareholders by holders of the common shares, the general meeting of class shareholders by holders of the Class A Shares, and the general meeting of class shareholders by holders of the Class B Shares respectively.

The reasons for issuing Class C Shares are as follows.

As Sharp posted a significant loss in the year ending March 2015, Sharp announced on May 14, 2015, and steadily implemented, the “Medium-Term Management Plan for Fiscal 2015 through 2017” in order to construct a stable business foundation that will not be shaken by changes in the environment in the future. However, regarding the consolidated results of the year ending March 2016, Sharp posted a loss for two consecutive years due to a decrease in the sales of liquid crystals for smartphones for the Chinese market and the effect of decreased unit price as a result of intensified price competition in the display device business, far lower than those anticipated at the beginning of the year, as well as due to the harsh business environment of other business areas surrounding Sharp persisting. Under such circumstances, Sharp is continuously forced to curb new investment in plants, equipment, and the like, and there are concerns that its financial situation could deteriorate further, as it would not be able to secure sales expansion or cost competitiveness.

To resolve this, Sharp had been considering issuing shares through third-party allotment (the “Capital Increase Through Third-Party Allotment”). As a result, Sharp has determined that it is best to procure funds by issuing the Common Shares and Class C Shares to Hon Hai Precision Industry Co., Ltd. and three other companies. This is because Sharp believes, among other things, that there will be an investment amount enabling Sharp to make sufficient investment toward its growth, which will contribute greatly to the improvement of Sharp’s financial standing. Hon Hai Precision Industry Co., Ltd. and three other companies have a mutually-complementary relationship with Sharp in the LCD business, and the competitiveness of Sharp’s business is expected to be stronger through the collaboration in that business. Also, in other business activities, the productivity and cost competitiveness of Sharp are expected to be improved by utilizing their manufacturing technique as world-leading EMSs; and in this way, the effect of this synergy in terms of the business is considered to be large.

The details of the shares offered for subscription to be issued by the Capital Increase Through Third-Party Allotment are as stated in the “Details of Shares Offered for Subscription” below.

(2) These amendments to the articles of incorporation will increase the total number of authorized shares, and the total number of authorized shares in a class of common shares, in preparation for the issuance of common shares by exercising the put options of the Class A Shares and Class B Shares, and for the issuance of common shares by exercising the call options of the Class C Shares (proposed amendments to Article 6).

These amendments to the articles of incorporation shall become effective on condition that all the common shares and Class C Shares relating to the issuance of shares offered for subscription by third-party allotment, which is to be proposed at the Ordinary General Meeting of Shareholders, are issued.

(Reference) Details of Shares Offered for Subscription

a. Class of the shares offered for subscription	Common shares	Class C Shares With respect to the details of the Class C Shares, please refer to “2. Contents of Amendment” below.
b. Number of shares offered for subscription	3,281,950,697 shares	11,363,636 shares
c. Amount to be paid in	88 yen per share	8,800 yen per share
d. Total amount to be paid in	288,811,661,336 yen	99,999,996,800 yen
e. Capital and capital reserve to be increased	Capital 144,405,830,668 yen (44 yen per share) Capital reserve 144,405,830,668 yen (44 yen per share)	Capital 49,999,998,400 yen (4,400 yen per share) Capital reserve 49,999,998,400 yen (4,400 yen per share)
f. Method of issuance	Each allotted as follows by a third-party allotment. Hon Hai Precision Industry Co., Ltd. 1,300,000,000 shares Foxconn (Far East) Limited 915,550,697 shares Foxconn Technology Pte. Ltd. 646,400,000 shares SIO International Holdings Limited 420,000,000 shares	Allotted as follows by a third-party allotment. Hon Hai Precision Industry Co., Ltd. 11,363,636 shares
g. Payment date	June 28, 2016 through October 5, 2016	June 28, 2016 through October 5, 2016

2. Details of Amendments

Details of the proposed amendments are as described below.

Contents of Amendment

(Amendments are underlined.)

Current Articles of Incorporation	Proposed Amendment
(Total Number of Authorized Shares) Article 6 The total number of shares to be issued by the Company shall be <u>5</u> billion shares, and the total number of shares of each class to be issued by the Company shall be as follows. common shares <u>5</u> billion shares Class A shares 200,000 shares Class B shares 25,000 shares (New)	(Total Number of Authorized Shares) Article 6 The total number of shares to be issued by the Company shall be <u>10</u> billion shares, and the total number of shares of each class to be issued by the Company shall be as follows. common shares <u>10</u> billion shares Class A shares 200,000 shares Class B shares 25,000 shares <u>Class C shares</u> <u>11,363,636 shares</u> <u>(Class C shares)</u> <u>Article 6-4</u> <u>The details of the Class C Shares issued by the Company shall be prescribed from the next paragraph to paragraph 8.</u> <u>(2) Dividends from surplus</u> <u>If the Company is to pay a dividend from surplus using the record date belonging to a business year, it shall pay the dividend to shareholders who hold Class C Shares (the “Class C Shareholders”) and registered pledgees of the Class C Shares (together with the Class C Shareholders, “Class C Shareholders, Etc.”) entered or recorded in the final shareholders resister as at the record date (the “Record Date for Dividends” in this Article) by the monetary amount of dividend from surplus calculated by multiplying the amount of dividend per common share by the conversion ratio provided for in Paragraph 5, Item 2 per the Class C Share (the amount paid by such dividend per share of Class C Shares is referred to as the “Class C Dividend”) ranking pari-passu with the Common Shareholders, etc. entered or recorded in the final shareholders resister as at the Record Date for Dividends. A fraction of less than one yen that arises in the amount calculated by multiplying the Class C Dividend by the number of the Class C Shares owned by each Class C Shareholders, Etc. is to be rounded down.</u> <u>(3) Distribution of residual assets</u> <u>If the Company is to distribute residual assets, it shall distribute residual assets to the Class C Shareholders, etc. by the monetary amount of distribution of residual assets calculated by multiplying the amount of residual assets to be distributed per common share by the conversion ratio provided for in Paragraph 5, Item 2 per the Class C Share (the amount paid by such distribution per share of Class C Shares is referred to as the “Class C Residual Assets</u>

Current Articles of Incorporation	Proposed Amendment
	<u>Distribution Amount”) ranking pari-passu with the Common Shareholders, etc. A fraction of less than one yen that arises in the amount calculated by multiplying the Class C Residual Assets Distribution Amount by the number of the Class C Shares owned by each Class C Shareholders, Etc. is to be rounded down.</u> <u>(4) Voting rights</u> <u>Class C Shareholders do not have voting rights at general meetings of shareholders and general meetings of class shareholders constituted by Class C Shareholders unless otherwise provided for in laws.</u> <u>(5) Call option the consideration for which is common shares</u> 1. <u>On and after July 1, 2017, the Company may acquire all or some of the Class C Shares in exchange for delivery of the number of common shares calculated by multiplying the number of Class C Share by the conversion ratio provided for in Item 2 per the Class C Share to the extent permissible under law and regulations on the coming of the day to be separately determined by the Board of Directors meeting. If the Company acquires some of the Class C Shares, it may decide the Class C Shares to acquire on a pro rata basis or by other reasonable method to be separately determined by the Board of Directors meeting.</u> 2. <u>The conversion ratio of Class C Shares should be 100.</u> <u>(6) Restrictions on assignment</u> <u>Any acquisition of Class C Shares by assignment requires the approval of the Company’s Board of Directors.</u> <u>(7) Consolidation of shares or share split; allotment of shares without contribution, etc.</u> 1. <u>When consolidating or splitting shares, the Company shall consolidate or split the Class C Shares at the same time and the same rate as the common shares.</u> 2. <u>When allotting the shares without contribution or the share options without contribution (including those attached to bonds with a share option, the same shall apply hereinafter in this Article), the Company shall allot the Class C Shares without contribution or the share options without contribution for which the Class C Shares are the underlying shares to the Class C Shareholders at the same time and same rate as the Company allots the common shares without contribution or the share options without contribution for which the common shares are the underlying shares to the shareholders who hold common shares</u>

Current Articles of Incorporation	Proposed Amendment
(Number of Shares in a Unit (<i>Tangen</i>) of Shares of Article 8) The number of shares comprising one unit (<i>tangen</i>) of shares shall be 1,000 for common shares, 1 for Class A shares, <u>and</u> 1 for Class B shares.	<u>(including to practically conform with the number of shares underlying the share options).</u> 3. <u>When issuing the shares for subscription by granting an entitlement to an allotment of shares to the shareholders (including the disposition of treasury shares) or issuing the share options by granting an entitlement to an allotment of share options to the shareholders (including the disposition of their own share options), the Company shall grant an entitlement to the allotment of the Class C Shares or share options for which the Class C Shares are the underlying shares to the Class C Shareholders at the same time and the same rate as the Company grants entitlements to the allotment of common shares or share options for which the common shares are the underlying shares to the shareholders who hold common shares (including to practically conform with the number of shares underlying the share options) under fair conditions in terms of the amount to be paid for the shares or share options for subscription, or the value of the property to be contributed when such share options are exercised.</u> 4. <u>Except for the cases listed in the preceding items, the Company will not implement share split or consolidation of shares, or an allotment of shares without contribution or share options without contribution in relation to Class C Shares, and will not grant an entitlement to the allotment of shares for subscription or share options for subscription to Class C Shareholders.</u> <u>(8) Exclusion of shareholder's right to be added as a seller for acquisition of treasury stock</u> <u>If the Company decides to acquire all or a part of the Class C Shares which are owned by the Class C Shareholders by agreement with the Class C Shareholders by a resolution of a general meeting of shareholders, the provisions in Article 160, Paragraphs 2 and 3 of the Companies Act will not apply.</u> (Number of Shares in a Unit (<i>Tangen</i>) of Shares of Article 8) The number of shares comprising one unit (<i>tangen</i>) of shares shall be 1,000 for common shares, 1 for Class A shares, <u>and 1 for Class B shares, and 1 for Class C shares</u>