

(PLEASE Note: This Convocation Notice is an English summary of some of the Japanese Convocation 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 29, 2017

SHARP CORPORATION

Convocation Notice of the 123rd Ordinary General Meeting of Shareholders and the General Meeting of Class Shareholders by Holders of the Common Shares

To Our Shareholders:

We hereby notify you of the convocation of the 123rd Ordinary General Meeting of Shareholders and the General Meeting of Class Shareholders by Holders of the Common Shares of Sharp Corporation (hereinafter referred to as “Sharp”) as per the description below.

DESCRIPTION

1. Date and Time: Tuesday, June 20, 2017, at 10:00 a.m.
2. Place: 1 Takumi-cho, Sakai-ku, Sakai-shi, Osaka
Sharp Corporation (Multi-Purpose Hall)
3. Purpose of the Meeting:

< The 123rd Ordinary General Meeting of Shareholders >

- Reporting:
1. The Business Report, Consolidated Accounts and Audit of the Consolidated Accounts by the Accounting Auditors and the Audit & Supervisory Board for the 123rd Term (from April 1, 2016 to March 31, 2017)
 2. Accounts for the 123rd Term (from April 1, 2016 to March 31, 2017)

Matters to be Resolved:

- Proposal No.1: Partial Amendments to the Articles of Incorporation
- Proposal No.2: Share Consolidation
- Proposal No.3: Election of Six (6) Directors (except the members of Audit & Supervisory Committee)
- Proposal No.4: Election of Three (3) Directors as the members of Audit & Supervisory Committee
- Proposal No.5: Establishment of the Remuneration for Directors (except the members of Audit & Supervisory Committee)
- Proposal No.6: Establishment of the Remuneration for Directors as the members of Audit & Supervisory Committee
- Proposal No.7: Issuance of Stock Acquisition Rights as Stock Options

< General Meeting of Class Shareholders by Holders of the Common Shares >

Matter to be Resolved:

- Proposal: Share Consolidation

< The 123rd Ordinary General Meeting of Shareholders >

Reference Information Regarding Proposals

Proposal No. 1: Partial Amendments to the Articles of Incorporation

1. Sharp would like to amend the Articles of Incorporation. Details are described in the following 2. “Details of Amendments”.

(1) Change to a Company with Audit and Supervisory Committee:

Although Sharp is currently a company with board of corporate auditors, Sharp will change to a company with audit and supervisory committee at the close of the Shareholders’ Meeting, in order to strengthen the supervisory function, and improve the agility of the decision making regarding the Board of Directors, and will change the provisions related thereto.

(2) Change of the Number of Shares in a Unit, and Change of the Total Number of Authorized Shares and Others Accompanying the Consolidation of Shares

The Japan Stock Exchanges issued the “Action Plan for Consolidating Trading Units,” aiming to standardize the number of trading units of all common shares of domestic listed companies at 100 shares by October 1, 2018. Sharp, as a company listed on the Tokyo Stock Exchange, respects this purport and will change the number of shares in a trading unit of Sharp’s common shares from 1,000 shares (current) to 100 shares. In addition, subject to the approval of the consolidation of shares at the Shareholders’ Meeting, the total number of authorized shares of class shares will be changed into 1 billion shares for the common shares, and 1,136,363 shares for Class C shares accompanying the change of the total number of authorized shares into 1 billion shares.

The effective date of the amendments to Article 6 and Article 8 of the Articles of Incorporation pertaining to these (however, excluding the deletion of the provisions concerning Class B shares) shall be October 1, 2017.

For the details of the change of the number of shares in a unit, and the consolidation of shares, please refer to the Proposal No.2.

(3) Change in which the Board of Directors will Become the Decision Making Body for Dividends and Others

The purpose of this change is to make it possible to implement the matters described in Article 459 of the Companies Act, including dividends, by a resolution of the Board of Directors in order to enable flexible implementation of capital policies and dividend policies.

(4) Deletion of the Provisions Concerning Class B Shares

With respect to the Class B shares, all of the issued shares of Class B shares were acquired and cancelled last year, and accordingly, the provisions will be deleted.

(5) Change of Chairman of the General Shareholders’ Meeting

In order to facilitate a general shareholders’ meeting and enrich deliberation, the provisions will be changed so that the chairman of the general shareholders’ meeting may be flexibly selected.

(6) Additions of Business Activities

In order to facilitate Sharp’s business activities, including IoT, and create new business activities, the sale of food, etc., as well as financial instruments transaction business, will be added as a business object.

(7) Others

For the above, amendments of articles and addition of supplementary provisions will be made.

2. Details of Amendments

Concrete details of amendments to the Articles of Incorporation are described as follows.

For the current Articles of Incorporation of Sharp, they are published on Sharp's home page. Please refer to it.

(http://www.sharp.co.jp/corporate/ir/event/shareholder_meeting/pdf/17all_kaiji.pdf)

Proposed Amendments to the Articles of Incorporation

(Amended portions are underlined.)

Current Articles	Amended Articles
(Object) Article 3 The object of the Company shall be to engage in the following businesses: 1. through 12. (omitted) 13. <u>Manufacture and sale of agricultural produce</u> 14. through 18. (omitted) <u>19. through 21.</u> (omitted)	(Object) Article 3 The object of the Company shall be to engage in the following businesses: 1. through 12. (unchanged) 13. <u>Manufacture, processing, import and export, and sale of food</u> 14. through 18. (unchanged) <u>19. Financial instruments transaction business</u> <u>20. through 22.</u> (unchanged)
(Organs) Article 4 The Company shall establish the following organs in addition to the general meeting of shareholders and directors: 1. Board of Directors 2. <u>Corporate Auditors</u> 3. <u>Board of Corporate Auditors</u> 4. Accounting Auditor(s)	(Organs) Article 4 The Company shall establish the following organs in addition to the general meeting of shareholders and directors: 1. Board of Directors 2. <u>Audit and Supervisory Committee</u> 3. Accounting Auditor(s)
(Total Number of Authorized Shares) Article 6 The total number of shares to be issued by the Company shall be <u>10 billion</u> shares, and the total number of each class to be issued by the Company shall be as follows. common share: <u>10 billion</u> shares Class A share: 200,000 shares <u>Class B share: 25,000 shares</u> Class C share: <u>11,363,636</u> shares	(Total Number of Authorized Shares) Article 6 The total number of shares to be issued by the Company shall be <u>1 billion</u> shares, and the total number of each class to be issued by the Company shall be as follows. common share: <u>1 billion</u> shares Class A share: 200,000 shares Class C share: <u>1,136,363</u> shares

(Class A shares) Article 6 - 2 (omitted) (vi) Put Option the Consideration for which is Cash 1. Cash consideration put option Each Class A Shareholder is entitled to request that the Company on or after July 1, 2021 acquire all or a part of Class A Shares (the "Redemption Request" in this Article) held by the shareholder, the effective date of which shall be the 1st of every month (the next business day if that day is not a business day) (the "Redemption Request Date" in this Article), by notifying the Company in writing 60 Trading Days in advance of the Redemption Request Date (which shall be irrevocable; the "Prior Notice for Redemption Request" in this Article) in exchange for a cash payment only if (a) the distributable amount (meaning the distributable amount provided for in Article 461, Paragraph 2 of the Companies Act) on the Redemption Request Date (defined below) <u>minus (b) the product of all Class B Shares issued on the Redemption Request Date (excluding shares held by the Company) multiplied by the Class B Residual Assets Distribution Amount (defined in Paragraph 3, Item 1 of the next Article) (the "Redeemable Amount" in this Article)</u> is a positive amount, and the Company shall, to the extent permissible under laws and regulations, deliver to the Class A Shareholder, in exchange for acquisition of Class A Shares related to the Redemption Request, the amount calculated by multiplying the number of Class A Shares related to the Redemption Request by (i) an amount obtained by multiplying the Equivalent Amount to the Amount to be Paid in per Class A Share by 110% and (ii) the total amount of the Amount Equal to Class A Accumulated Unpaid Dividends and Daily Prorated Unpaid Preferred Dividend. In this Item, the Amount Equal to Class A Accumulated Unpaid Dividends and the Daily Prorated Unpaid Preferred Dividend Amount is to be calculated by reading "day when distribution of residual assets is	(Class A shares) Article 6 - 2 (unchanged) (vi) Put Option the Consideration for which is Cash 1. Cash consideration put option Each Class A Shareholder is entitled to request that the Company on or after July 1, 2021 acquire all or a part of Class A Shares (the "Redemption Request" in this Article) held by the shareholder, the effective date of which shall be the 1st of every month (the next business day if that day is not a business day) (the "Redemption Request Date" in this Article), by notifying the Company in writing 60 Trading Days in advance of the Redemption Request Date (which shall be irrevocable; the "Prior Notice for Redemption Request" in this Article) in exchange for a cash payment only if the distributable amount (meaning the distributable amount provided for in Article 461, Paragraph 2 of the Companies Act; <u>the "Redeemable Amount" in this Article</u>) on the Redemption Request Date (defined below) is a positive amount, and the Company shall, to the extent permissible under laws and regulations, deliver to the Class A Shareholder, in exchange for acquisition of Class A Shares related to the Redemption Request, the amount calculated by multiplying the number of Class A Shares related to the Redemption Request by (i) an amount obtained by multiplying the Equivalent Amount to the Amount to be Paid in per Class A Share by 110%, and (ii) the total amount of the Amount Equal to Class A Accumulated Unpaid Dividends and Daily Prorated Unpaid Preferred Dividend. In this Item, the Amount Equal to Class A Accumulated Unpaid Dividends and the Daily Prorated Unpaid Preferred Dividend Amount is to be calculated by reading "day when distribution of residual assets is made" and "Distribution Date" in the calculation of the Amount Equal to Class A Accumulated Unpaid Dividends and Daily Prorated Unpaid Preferred Dividend Amount as the "Redemption Request Date," respectively. However, if the cash amount to be paid in exchange for
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made” and “Distribution Date” in the calculation of the Amount Equal to Class A Accumulated Unpaid Dividends and Daily Prorated Unpaid Preferred Dividend Amount as the “Redemption Request Date,” respectively. However, if the cash amount to be paid in exchange for the Class A Shares subject to the Redemption Request made on a Redemption Request Date exceeds the Redeemable Amount on such Redemption Request Date, then the Company shall acquire the Class A Shares by a prorated method according to the number of Class A Shares subject to the Redemption Request within a range where the payment amount does not exceed the Redeemable Amount, and the Class A Shares that are not so acquired in accordance with such method will be deemed not to have been subject to the Redemption Request.

2. through 3. (omitted)

(vii) Call option the Consideration for which is cash

As long as no issued Class B Shares (excluding shares held by the Company) exist, on and after July 1, 2016 when the Cash Consideration Redemption Date (defined below) starts, the Company may, by giving a written notice (which shall be irrevocable) to Class A Shareholders, Etc. at least 60 Trading Days in advance of the Cash Consideration Redemption Date, acquire all the Class A Shares in exchange for cash (the “Cash Consideration Redemption” in this Article) to the extent permissible under law and regulations on the coming of the day to be separately determined by the Board of Directors meeting (the “Cash Consideration Redemption Date” in this Article) and the Company shall deliver to the Class A Shareholder in exchange for Class A Shares related to the Cash-Consideration Redemption the amount calculated by multiplying the number of Class A Shares related to the Cash-Consideration Redemption by (i) an amount obtained by multiplying the Equivalent Amount to the Amount to be Paid in per Class A Share by 110% and (ii) the total amount of the Amount Equal to Class A

the Class A Shares subject to the Redemption Request made on a Redemption Request Date exceeds the Redeemable Amount on such Redemption Request Date, then the Company shall acquire the Class A Shares by a prorated method according to the number of Class A Shares subject to the Redemption Request within a range where the payment amount does not exceed the Redeemable Amount, and the Class A Shares that are not so acquired in accordance with such method will be deemed not to have been subject to the Redemption Request.

2. through 3. (unchanged)

(vii) Call option the Consideration for which is cash

At any time on and after July 1, 2016, the Company may, by giving a written notice (which shall be irrevocable) to Class A Shareholders, Etc. at least 60 Trading Days in advance of the Cash Consideration Redemption Date, acquire all the Class A Shares in exchange for cash (the “Cash Consideration Redemption” in this Article) to the extent permissible under law and regulations on the coming of the day to be separately determined by the Board of Directors meeting (the “Cash Consideration Redemption Date” in this Article) and the Company shall deliver to the Class A Shareholder in exchange for Class A Shares related to the Cash-Consideration Redemption the amount calculated by multiplying the number of Class A Shares related to the Cash-Consideration Redemption by (i) an amount obtained by multiplying the Equivalent Amount to the Amount to be Paid in per Class A Share by 110%, and (ii) the total amount of the Amount Equal to Class A Accumulated Unpaid Dividends and Daily Prorated Unpaid Preferred Dividend. In this Item, the Amount Equal to Class A

Accumulated Unpaid Dividends and Daily Prorated Unpaid Preferred Dividend. In this Item, the Amount Equal to Class A Accumulated Unpaid Dividends and the Daily Prorated Unpaid Preferred Dividend Amount is to be calculated by reading “day when distribution of residual assets is made” and “Distribution Date” in the calculation of the Amount Equal to Class A Accumulated Unpaid Dividends and Daily Prorated Unpaid Preferred Dividend Amount as the “Cash Consideration Redemption Date,” respectively. A fraction of less than one yen that arises in the amount to be paid in exchange for acquiring Class A Shares related to the Cash-Consideration Redemption is to be disregarded.

(viii) through (x) (omitted)

(xi) Priorities

1. The payment priority of dividends from surplus for Class A Preferred Dividends, Amount Equal to Class A Accumulated Unpaid Dividends, Class B Preferred Dividends (defined in Paragraph 2, Item 1 of the following Article), Amount Equal to Class B Accumulated Unpaid Dividends (defined in Paragraph 2, Item 4 of the following Article) and that for shareholders who own common shares and registered pledgees of common shares (collectively the “Common Share Holders, Etc.”) shall be as follows. Amount Equal to Class B Accumulated Unpaid Dividends are the first priority, Class B Preferred Dividends are the second priority. Amount Equal to Class A Accumulated Unpaid Dividends are the third priority, Class A Preferred Dividends are the fourth priority and dividends from surplus to Common Share Holders, Etc. are the fifth priority.
2. The payment priority of distribution of residual assets related to Class A Shares, Class B Shares and common shares is as follows. The payment priority of distribution of residual assets related to Class B Shares is the first priority, distribution of residual assets related to Class A Shares is the second priority, and distribution of residual assets related to common

Accumulated Unpaid Dividends and the Daily Prorated Unpaid Preferred Dividend Amount is to be calculated by reading “day when distribution of residual assets is made” and “Distribution Date” in the calculation of the Amount Equal to Class A Accumulated Unpaid Dividends and Daily Prorated Unpaid Preferred Dividend Amount as the “Cash Consideration Redemption Date,” respectively. A fraction of less than one yen that arises in the amount to be paid in exchange for acquiring Class A Shares related to the Cash-Consideration Redemption is to be disregarded.

(viii) through (x) (unchanged)

(xi) Priorities

1. The payment priority of dividends from surplus for Class A Preferred Dividends, Amount Equal to Class A Accumulated Unpaid Dividends, and that for shareholders who own common shares and registered pledgees of common shares (collectively, the “Common Share Holders, Etc.”) shall be as follows. Amount Equal to Class A Accumulated Unpaid Dividends are the first priority, Class A Preferred Dividends are the second priority, and dividends from surplus to Common Share Holders, Etc. are the third priority.
2. The payment priority of distribution of residual assets related to Class A Shares and common shares is as follows. The payment priority of distribution of residual assets related to Class A Shares is the first priority, and distribution of residual assets related to common shares is the second priority.
3. (unchanged)

shares is the <u>third</u> priority. 3. (omitted) <u>(Class B shares)</u> <u>Article 6 - 3</u> (omitted) Article 6 - <u>4</u> through Article 6 - <u>5</u> (omitted) (Number of Shares in a Unit (<i>Tangen</i>) of Shares) Article 8 The number of shares comprising one unit (<i>tangen</i>) of shares shall be <u>1,000</u> for common shares, 1 for Class A shares, 1 for <u>Class B shares</u>, and 1 for Class C shares. (Chairmanship of General Meeting of Shareholders) Article 14 (1) The President shall act as chairman of the general meeting of shareholders. (2) (omitted) (Number of Directors) Article 18 The Company shall not have more than twenty (20) Directors. (new) (Method of Election of Directors) Article 19 (1) Directors shall be elected by a resolution of a general meeting of shareholders. (2) through (3) (omitted) (Representative Directors and Directors with specific titles) Article 20 (1) The Board of Directors shall, by resolution, appoint Representative Directors. (2) The Board of Directors may, by resolution, appoint a Chairman, a President, and other Directors with specific titles.	(deleted) Article 6 - <u>3</u> through Article 6 - <u>4</u> (unchanged) (Number of Shares in a Unit (<i>Tangen</i>) of Shares) Article 8 The number of shares comprising one unit (<i>tangen</i>) of shares shall be <u>100</u> for common shares, 1 for Class A shares, and 1 for Class C shares. (Chairmanship of General Meeting of Shareholders) Article 14 (1) The President, <u>or any person who is designated by the President in advance</u>, shall act as chairman of the general meeting of shareholders. (2) (unchanged) (Number of Directors) Article 18 (1) The Company shall not have more than twenty (20) Directors <u>(excluding Directors who are Audit and Supervisory Committee members)</u>. (2) <u>The Company shall not have more than five (5) Directors who are Audit and Supervisory Committee members.</u> (Method of Election of Directors) Article 19 (1) Directors shall be elected by a resolution of a general meeting of shareholders; <u>provided, however, that Directors who are Audit and Supervisory Committee members shall be elected separately from the other Directors.</u> (2) through (3) (unchanged) (Representative Directors and Directors with specific titles) Article 20 (1) The Board of Directors shall, by resolution, appoint Representative Directors <u>from among the Directors (excluding Directors who are Audit and Supervisory Committee members)</u>. (2) The Board of Directors may, by resolution, appoint a Chairman, a President, and other Directors with specific titles <u>from among the Directors (excluding Directors who are Audit and Supervisory</u>
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(Term of Office of Directors) Article 21 (1) The term of office of Directors shall be up to the close of the ordinary general meeting of shareholders concerning the most recent business term ending within one (1) year after their appointment. (new) (2) The term of office of a Director elected due to an increase in the number of Directors or to fill a vacancy shall be up to the time when the term of office of the other Directors expires. (new)	<u>Committee members).</u> (Term of Office of Directors) Article 21 (1) The term of office of Directors <u>(excluding Directors who are Audit and Supervisory Committee members)</u> shall be up to the close of the ordinary general meeting of shareholders concerning the most recent business term ending within one (1) year after their appointment. (2) <u>The term of office of Directors who are Audit and Supervisory Committee members shall be up to the close of the ordinary general meeting of shareholders concerning the most recent business term ending within two (2) years after their appointment.</u> (3) The term of office of a Director <u>(excluding Directors who are Audit and Supervisory Committee members)</u> elected due to an increase in the number of Directors or to fill a vacancy shall be up to the time when the term of office of the other Directors expires. (4) <u>The term of office of a Director who is an Audit and Supervisory Committee member elected as a substitute for a Director who is an Audit and Supervisory Committee member who resigned before the expiry of his/her term of office shall be up to the time when the term of office of such resigned Director who is an Audit and Supervisory Committee member expires.</u>
(<u>Notice of</u> Convening a Meeting of Board of Directors) Article 22 (1) To convene a meeting of the Board of Directors, notice shall be dispatched to each Director <u>and Corporate Auditor</u> three (3) days or more prior to the date of the meeting; provided, however, that such period of notice may be shortened in case of urgency. (2) If all Directors <u>and Corporate Auditors</u> approve, a meeting of the Board of Directors may be convened without following the procedure for convocation. (new)	(Convocation of a Meeting of Board of Directors) Article 22 (1) To convene a meeting of the Board of Directors, notice shall be dispatched to each Director three (3) days or more prior to the date of the meeting; provided, however, that such period of notice may be shortened in case of urgency. (2) If all Directors approve, a meeting of the Board of Directors may be convened without following the procedure for convocation. (<u>Delegation of Decisions of the Execution of Important Operations</u>) Article 23 <u>The Company may, by a resolution of the Board of Directors, delegate</u>

	<u>all or part of the decisions of execution of important operations (excluding matters listed in each Item of Article 399-13, Paragraph 5) to the Directors pursuant to Article 399-13, Paragraph 6 of the Companies Act.</u>
(Method of Resolution by the Board of Directors) Article <u>23</u> (1) (omitted) (2) If all of the Directors who are allowed to participate in voting indicate their approval of the resolution in writing or by electromagnetic record, it shall be deemed that the Board of Directors approved passage of such resolution; <u>provided, however, that if a Corporate Auditor objects to the resolution, the foregoing shall not apply.</u>	(Method of Resolution by the Board of Directors) Article <u>24</u> (1) (unchanged) (2) If all of the Directors who are allowed to participate in voting indicate their approval of the resolution, in writing or by electromagnetic record, it shall be deemed that the Board of Directors has approved passage of such resolution.
(Remuneration, etc. for Directors) Article <u>24</u> The Directors' remuneration, bonus and other property benefits received from the Company as compensation for performance of duties ("Remuneration, etc.") shall be determined by resolution at a general meeting of shareholders.	(Remuneration, etc. for Directors) Article <u>25</u> The Directors' remuneration, bonus and other property benefits received from the Company as compensation for performance of duties ("Remuneration, etc.") shall be determined by resolution at a general meeting of shareholders; <u>provided, however, that Remuneration, etc. of the Directors who are Audit and Supervisory Committee members shall be determined separately from the Remuneration, etc. of the other Directors.</u>
Article <u>25</u> through Article <u>26</u> (omitted)	Article <u>26</u> through Article <u>27</u> (unchanged)
<u>CHAPTER V. CORPORATE AUDITORS AND BOARD OF CORPORATE AUDITORS</u>	(deleted)
Article <u>27</u> through Article <u>35</u> (omitted)	(deleted)
(new)	<u>CHAPTER V. AUDIT AND SUPERVISORY COMMITTEE</u>
(new)	<u>(Convocation of a Meeting of the Audit and Supervisory Committee)</u> Article <u>28</u> (1) <u>To convene a meeting of the Audit and Supervisory Committee, notice shall be dispatched to each Audit and Supervisory Committee member three (3) days or more prior to the date of the meeting; provided, however, that such period of notice may be shortened in case of urgency.</u>

	(2) <u>If all Audit and Supervisory Committee members approve, a meeting of the Audit and Supervisory Committee may be convened without following the procedure for convocation.</u>
(new)	<u>(Method of Resolution by the Audit and Supervisory Committee)</u> <u>Article 29</u> Resolution by the Audit and Supervisory Committee shall be made in the presence of a majority of the Audit and Supervisory Committee members who can participate in voting, and the approval of a majority of such present Audit and Supervisory Committee members shall be required.
(new)	<u>(Regulations of the Audit and Supervisory Committee)</u> <u>Article 30</u> Matters concerning the Audit and Supervisory Committee shall be dealt with in compliance with the rules determined by the Audit and Supervisory Committee, unless otherwise provided for by laws or ordinances or by these Articles of Incorporation.
Article <u>36</u> through Article <u>37</u> (omitted)	Article <u>31</u> through Article <u>32</u> (unchanged)
(Remuneration, etc. for Accounting Auditors) Article <u>38</u> Remuneration, etc. for Accounting Auditors shall be determined by the Representative Directors with approval of <u>the Board of Corporate Auditors.</u>	(Remuneration, etc. for Accounting Auditors) Article <u>33</u> Remuneration, etc. for Accounting Auditors shall be determined by the Representative Directors with approval of <u>the Audit and Supervisory Committee.</u>
Article <u>39</u> (omitted)	Article <u>34</u> (unchanged)
(Distribution of Surplus) Article <u>40</u> The distribution of surplus of the Company shall be paid to the shareholders or registered share pledgees, recorded on the shareholders' register as of March 31 of each year.	(Distribution of Surplus, etc.) Article <u>35</u> (1) (unchanged)
(new)	(2) <u>The Company may, in addition to the matters provided for in the preceding paragraph, decide matters listed in each Item of Article 459, Paragraph 1 of the Companies Act, including distribution of surplus by a resolution of the Board of Directors, unless otherwise provided for by laws or ordinances.</u>
(new)	(3) <u>The record dates for distribution of surplus provided for in the preceding paragraph are as stated in</u>

	<u>the following Items.</u> <u>1. March 31 of every year</u> <u>2. September 30 of every year</u> <u>3. Day separately determined by</u> <u>the Company</u>
Article <u>41</u> through Article <u>42</u> (omitted)	Articles <u>36</u> through Article <u>37</u> (unchanged)
(new)	<u>Supplementary Provisions</u> <u>(Effective Date of Partial Amendments to the</u> <u>Articles of Incorporation)</u> <u>The change of Article 6 (Total Number of Authorized</u> <u>Shares) and Article 8 (Number of Shares in a Unit</u> <u>(Tangen) of Shares) shall come into effect on October</u> <u>1, 2017, except for the deletion of the total number</u> <u>of authorized shares of Class B shares in Article 6.</u> <u>These Supplementary Provisions shall be deleted</u> <u>upon the elapse of such effective date.</u>
(new)	<u>(Transitional Measures Concerning Exemption of</u> <u>Corporate Auditors from Liabilities, Etc.)</u> <u>The exemption of Corporate Auditors (including</u> <u>persons who were Corporate Auditors) from</u> <u>liabilities concerning acts in Article 423, Paragraph 1</u> <u>of the Companies Act and limited liability</u> <u>agreements that have been concluded with Corporate</u> <u>Auditors prior to the close of the 123rd General</u> <u>Meeting of Shareholders shall apply as provided for</u> <u>in Article 35, Paragraph 1 and Paragraph 2 of the</u> <u>Articles of Incorporation before the amendment</u> <u>accompanying the close of such General Meeting of</u> <u>Shareholders.</u>

Proposal No. 2 : Share Consolidation

Subject to the approval of Proposal No.1, Sharp will change the number of shares in a unit of Sharp's common shares from 1,000 to 100, as of October 1, 2017, and would like to consolidate common shares in order to maintain the standard of the value per trading unit of common shares, while taking into consideration the mid- to long-term volatility of stock prices. In addition, as it is stipulated that when common shares are consolidated, Class C shares will be consolidated in the same ratio (Article 6-4, Paragraph 7, Item (1) of the current Articles of Incorporation of Sharp), they will be consolidated in the same way as common shares.

The share consolidation is on the proviso that this proposal regarding the share consolidation is approved at the 123rd Ordinary General Meeting of Shareholders and General Meeting of each Class Shareholders by Holders of the Common Shares, Class A Shares and Class C Shares, and will be effective as of October 1, 2017.

(1) Class of Consolidated Shares

Common shares and Class C shares

(2) Method and Ratio of the Consolidation

Based on the number of shares held by the shareholders recorded in the last shareholders register as of September 30, 2017, each ten (10) shares will be consolidated into one (1). In the case where fractional shares that are less than one (1) share result from the share consolidation, Sharp will sell them in a bulk sale under the provisions of the Companies Act and distribute the sales proceeds to the shareholders that hold fractional shares in proportion to the number of fractional shares they hold.

(3) Effective Date of Share Consolidation

October 1, 2017 (scheduled)

(4) Total Number of Shares Authorized to be Issued as of Effective Date

1 billion shares

By consolidating the shares, under the provisions of the Companies Act 182-2, the Articles of Incorporation will be deemed to have been amended regarding the total number of shares authorized to be issued as of the effective date of the share consolidation.

Proposal No. 3: Election of Six (6) Directors (except the members of Audit & Supervisory Committee)

Sharp intends to transit to a company with a Board with Audit & Supervisory Committee Structure, through Proposal No.1, “Partial Amendments to the Articles of Incorporation”, being approved and passed as originally proposed, as well as the terms of office of all the nine (9) current Directors will expire at the conclusion of this Annual General Meetings of Shareholders.

Sharp recommends the following six (6) candidates of Directors (except the members of Audit & Supervisory Committee) with whom Sharp enters into a subscription agreement.

This Proposal No.3 is subject to taking-into-effect of amendments to the Articles of Incorporation to shift to the company with a Board with Audit & Supervisory Committee Structure, described in the Proposal No.1.

The candidates for the Directors (except the members of Audit & Supervisory Committee) 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	Tai Jeng-Wu (September 3, 1951)	Representative Director, President & Chief Executive Officer	0 shares
2	Katsuaki Nomura (February 7, 1957)	Representative Director, Executive Vice President, Head of Accounting and Finance Group	16,795 shares
3	Toshiaki Takayama (December 24, 1975)	Representative Director, Company EVP, Display Device Company	0 shares
4	Young Liu (March 2, 1956)	Director, Sharp Corporation Chairman, Scole Technology Corp.	0 shares
5	* Hirokazu Nishiyama (November 13, 1949)	Adviser, Tohokushinsha Film Corporation Adviser, Kaga Electronics Co. Ltd.	2,000 shares
6	* Chien-Erh Wang (April 12, 1971)	Director, Sakai Display Product Corporation Board member, General Interface Solution (GIS) Holding Limited	0 shares

(Notes)

1. Mr. Tai Jeng-Wu was the Corporate Representative Director of Hon Hai Precision Ind. Co. Ltd. which is Sharp's parent company, and he resigned this position in April 2017. Mr. Young Liu is the General Manager of its B sub-group.
2. Sharp currently concludes liability limitation agreements with Mr. Young Liu, which limits his liability for damage to the extent the law allows, and Sharp plans to extend its agreements with him. Subject to Mr. Hirokazu Nishiyama and Mr. Chien-erh Wang becoming Non-Executive Directors, Sharp plans to enter into liability limitation agreements with them. In case these Three (3) become Executive Directors, then, Sharp does not conclude this agreements with them. If Sharp has already concluded this agreements, it will be invalid.

Proposal No. 4: Election of Three (3) Directors as the members of Audit & Supervisory Committee

Sharp intends to transit to a company with a Board with Audit & Supervisory Committee Structure, through Proposal No.1, “Partial Amendments to the Articles of Incorporation”, being approved and passed as originally proposed.

Sharp recommends the following three (3) candidates of Directors as the members of Audit & Supervisory Committee with whom Sharp enters into a subscription agreement.

This Proposal No.4 is subject to taking-into-effect of amendments to the Articles of Incorporation to shift to the company with a Board with Audit & Supervisory Committee Structure, described in the Proposal No.1.

The candidates for the Directors as the members of Audit & Supervisory Committee 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	* Hse-Tung Lu (December 22, 1964)	Chief Financial Officer, Foxconn Technology Co. Ltd	0 shares
2	* Nobuaki Kurumatani (December 23, 1957)	Chairman & Co-Representative, CVC Asia Pacific (Japan) K.K.	0 shares
3	* Yasuo Himeiwa (November 5, 1953)	Outside Auditor, TAKARA BIO Inc.	0 shares

1. Sharp holds more than 20% of the shares of Sakai Display Products Corporation where Mr. Hse-Tung Lu is the auditor, and the sales portion from this company to Sharp is more than 1 % among its totals sales volume.
2. Mr. Hse-Tung Lu, Mr. Nobuaki Kurumatani and Mr. Yasuo Himeiwa are candidates for Outside Directors, as provided in Article 2, Paragraph 3, Item 7 of the Enforcement Regulations of the Company Act.

The reasons for selecting the above as candidates for Outside Directors are as follows:

Mr. Hse-Tung Lu:

Mr. Hse-Tung Lu has engaged in accounting work over many years, and has performed an auditing at Sakai Display Products Corporation, as auditor. Based on his broad view from such experiences, he is able to completely fulfill the expected roles of an Outside Director. For this reason, it is proposed that Mr. Hse-Tung Lu be elected as an Outside Director.

Though Foxconn Technology Co. Ltd, where he is working as CFO, is the affiliate of Hon Hai Precision Ind. Co. Ltd., this company is listed on Taiwan Stock Exchange, and its business volume with Sharp is insignificant. Therefore, Sharp judges it does not affect his independence as Outside Director.

Mr. Nobuaki Kurumatani:

Mr. Nobuaki Kurumatani has engaged in management at Sumitomo Mitsui Banking Corporation, such as at Corporate Finance dept., Audit dept. and so on, over many years. Based on his broad view from such experiences, he is able to completely fulfill the expected roles of an Outside Director. For this reason, it is proposed that Mr. Nobuaki Kurumatani be elected as an Outside Director.

Though Sharp is borrowing from its bank, he has already retired from the position of its bank. Therefore, Sharp judges it does not affect his independence as Outside Director.

Mr. Yasuo Himeiwa:

Mr. Yasuo Himeiwa has engaged in working as a certified public accountant over many years. Based on his broad view and wide variety of knowledge from such experiences, he is able to completely fulfill the expected roles of an Outside Director. For this reason, it is proposed that Mr. Yasuo Himeiwa be elected as an Outside Director.

Though he was working at Azsa Audit Corporation which was Sharp's Accounting Auditor until June 2016, he was not involved in the work for Sharp at that time. Therefore, Sharp judges it does not affect his independence as Outside Director.

3. Sharp plans to enter into liability limitation agreements with Mr Hse-Tung Lu, Mr. Nobuaki Kurumatani and Mr.

Yasuo Himejiwa, which will limit their liability for damage to the extent the law allows.

Proposal No. 5: Establishment of the Remuneration for Directors (except the members of Audit & Supervisory Committee)

Sharp intends to transit to a company with a Board with Audit & Supervisory Committee Structure, through Proposal No.1 being approved and passed as originally proposed, and would like to set the amount of remuneration for Directors (except the members of Audit & Supervisory Committee) shall be 300 million yen or less per business year, taking the economic situations and others into consideration, provided that such amount of remuneration for Directors (except the members of Audit & Supervisory Committee) does not include the amount of employee salaries for Directors who concurrently serve as employees.

The share options were introduced for the purpose of improving responsibility and incentive for the company performance, as it was approved at the 122nd Annual Shareholders' Meeting held on June 23, 2016, and Sharp would like to maintain the share options, separately from the above cash remuneration, and its remuneration for Directors (except the members of Audit & Supervisory Committee) of the Company shall be 1,500 units or less, and the total value of Share Options shall be 300 million yen at maximum. The value of Share Options shall be calculated by multiplying the fair value of one unit of Share Options calculated on the day they are allotted by the total number of Share Options allotted to Directors of the Company. The fair value of one unit of Share Options shall be based on conditions such as the fair unit price valuation calculated using variables including share price on the day when the Share Options are allotted and the terms of Share Options, etc. using an equity option pricing model such as the Black-Scholes model. Contents of stock acquisition rights of share options are as described at Proposal No.7.

Current number of Directors are nine (9), including two (2) Outside Directors. In case that the Proposal No.1 and Proposal No.3 are approved as originally proposed, then the total number of Directors (except the members of Audit & Supervisory Committee) will be six (6).

Proposal No. 6: Establishment of the Remuneration for Directors as the members of Audit & Supervisory Committee

Sharp intends to transit to a company with a Board with Audit & Supervisory Committee Structure, through Proposal No.1 being approved and passed as originally proposed, and would like to set the amount of remuneration for Directors as the members of Audit & Supervisory Committee shall be 60 million yen or less per business year, taking the economic situations and others into consideration.

Same as the above Proposal No.5, Sharp would like to introduce the share options for the purpose of improving responsibility and incentive for the company performance, and separately from the above cash remuneration, and its remuneration for Directors as the members of Audit & Supervisory Committee shall be 300 units or less, and the total value of Share Options shall be 60 million yen at maximum. The value of Share Options shall be calculated, as same as the above Proposal No.5. Contents of stock acquisition rights as share options is the same as the description of Proposal No.7.

In case that the Proposal No.1 and Proposal No.4 are approved as originally proposed, then the total number of Directors as the members of Audit & Supervisory Committee will be three (3).

Proposal No. 7: Issuance of Stock Acquisition Rights as Stock Options

Sharp (the “Company”) requests the authorization to allot Share Options as stock options to Directors and Employees of the Company and its subsidiaries and affiliates in Japan (the “Company Group”), pursuant to Articles 236, 238 and 239 of the Companies Act of Japan,

1. The Reason why the Issuance under Particularly Favorable Conditions is Required:

The Company has decided to implement a stock option plan and will issue Share Options as stock options as one of the types of remuneration for Directors and Employees of the Company Group. This will help the Company retain and recruit human resources required for the Company’s revitalization and growth, and will serve as an incentive to increase their motivation to participate in the Company Group’s business management and contribute to higher performance, as well as the increased corporate value of the Company.

2. Outline of Issuance of Share Options:

(1) Persons to whom Share Options will be allotted:

Directors and employees of the Company and its subsidiaries and affiliates in Japan.

(2) Class and number of shares to be issued upon exercise of Share Options:

The class of shares to be issued upon the exercise of Share Options shall be common stock of the Company, and the number of shares to be issued shall not exceed 60,000,000.

If the Company splits its common stock (including allotment of its common stock without compensation; hereinafter the same shall apply) or consolidates its common stock, the number of shares to be issued upon the exercise of Share Options shall be adjusted in accordance with the following formula; provided that such adjustment shall be made to those that remain unexercised at the time of such adjustment, and any fraction less than one share arising as a result of such adjustment shall be rounded down.

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

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

(3) Total number of Share Options to be issued:

No more than 60,000 units of Share Options shall be issued.

One thousand shares shall be issued per unit of Share Options; provided that, in the event of any adjustment of the number of shares stipulated in (2) above, the number of shares to be issued per unit of Share Options shall be adjusted accordingly.

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

(4) Cash payment for Share Options:

No cash payment is required for Share Options.

(5) Value of assets to be contributed upon the exercise of Share Options:

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

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

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

$$\text{Exercise Value after adjustment} = \text{Exercise Value before adjustment} \times \frac{1}{\text{Ratio of stock split or stock consolidation}}$$

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

$$\text{Exercise Value after adjustment} = \text{Exercise Value before adjustment} \times \frac{\text{Number of shares already issued} + \frac{\text{Number of shares newly issued} \times \text{Amount paid in per share}}{\text{Stock price before new issuance}}}{\text{Number of shares already issued} + \text{Number of shares newly issued}}$$

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

(6) Exercise period of Share Options:

The exercise period shall be from the date on which two (2) years have passed from the date of allotment of the Share Options to the date on which seven (7) years have passed from the date of allotment. If the final day of the exercise period falls on a holiday of the Company, the final day shall be the working day immediately preceding the final day.

(7) Conditions etc. for exercise of Share Options

- (i) The holders of Share Options shall remain Directors, Executive Officers, Company Auditors or employees of the Company or its subsidiaries or affiliates at the time of exercising Share Options;

- provided, however, that exceptional treatment may be allowed in this regard in writing by the Board of Directors of the Company in consideration of the circumstances.
- (ii) If an allotment of Share Options consists of more than 50 units, Share Options may be exercised by the holder of Share Options, in whole or in part, according to the following categories.
- i) The entire allotment of Share Options shall not be exercised prior to the date on which two (2) years have passed from the date of allotment.
 - ii) 50% of the allotment of Share Options or 50 units of Share Options, whichever is larger, may be exercised from the date on which two (2) years have passed from the date of allotment to the date prior to the date on which three (3) years have passed from the date of allotment (if a fraction less than one unit arises in the number of exercisable Share Options, such fraction shall be rounded down).
 - iii) 80% of the allotment of Share Options or 50 units of Share Options, whichever is larger, may be exercised from the date on which three (3) years have passed from the date of allotment to the date prior to the date on which four (4) years have passed from the date of allotment (if a fraction less than one unit arises in the number of exercisable Share Options, such fraction shall be rounded down).
 - iv) The entire allotment of Share Options may be exercised from the date on which four (4) years have passed from the date of allotment to the date on which seven (7) years have passed from the date of allotment.
- (iii) Share Options shall not be inherited; provided, however, that exceptional treatment may be allowed in this regard in writing by the Board of Directors in consideration of the circumstances.
- (iv) Share Options shall not be offered for pledge or disposed of in any other way.
- (v) Other details and conditions shall be determined by the Board of Directors of the Company.
- (8) Matters concerning increase in capital and capital reserve by issuing of shares upon exercise of Share Options:
- (i) Amount of increase in capital by issuing shares upon exercise of Share Options shall be half of the upper limit of capital increase as calculated pursuant to the provisions of Article 17, Paragraph 1 of the Ordinance on Accounting of Companies, where any resultant fraction less than one yen shall be rounded up.
 - (ii) Amount of increase in capital reserve by issuing shares upon exercise of Share Options shall be the upper limit of capital increase as described in (i) above less the amount of increase in capital set out therein.
- (9) Reasons and conditions for the acquisition of Share Options:
- The Company may acquire Share Options on the date otherwise determined by the Board of Directors of the Company without any compensation therefor in the following cases:
- (i) In the case where a proposal of any merger agreement under which the Company is dissolved, or any absorption-type company split (*kyushu-bunkatsu*) agreement or incorporation-type company split (*shinsetsu-bunkatsu*) plan in which the Company will be a splitting company, or any share exchange agreement or share transfer plan in which the Company will be a wholly owned subsidiary of another company is approved at a General Shareholders' Meeting of the Company (or by the Board of Directors

- for a company split that does not require the approval of the General Shareholders' Meeting);
- (ii) In the case where a holder of Share Options ceases to accommodate the conditions of (7) above before exercising Share Options; or
 - (iii) In the case where a holder of Share Options requests a waiver of Share Options.
- (10) Restriction on the acquisition of Share Options by transfer:
Any acquisition of Share Options by transfer shall require an approval of the Board of Directors of the Company by its resolution.
- (11) Treatment of Share Options in case of organizational restructuring of the Company:
In the event the Company merges (limited to cases where the Company becomes a dissolving company), performs an absorption-type company split or an incorporation-type company split, or conducts a share exchange or a share transfer (hereinafter collectively "Organizational Restructuring"), Share Options of a corporation described in Article 236, Paragraph 1, Items 8.1 (イ) through 8.5 (ホ) of the Companies Act of Japan (hereinafter "Restructured Company") shall be delivered under the following conditions to holders of Share Options remaining unexercised (hereinafter "Remaining Share Options") at the time when Organizational Restructuring takes effect. In this case, the Remaining Share Options will lapse and the Restructured Company will issue new Share Options. However, the foregoing shall apply only to cases in which the delivery of Share Options of the Restructured Company according to the following conditions is stipulated in the merger agreement, the absorption-type company split agreement, the incorporation-type company split plan, the share exchange agreement or the share transfer plan.
- (i) Number of Share Options of the Restructured Company to be delivered:
The Restructured Company shall deliver Share Options, the number of which shall equal the number of Remaining Share Options held by the holder of the Remaining Share Options.
 - (ii) Class of shares of the Restructured Company to be issued upon the exercise of Share Options:
Shares of common stock of the Restructured Company
 - (iii) Number of shares of the Restructured Company to be issued upon the exercise of Share Options:
To be decided according to (2) and (3) above after taking into consideration the conditions, etc. of the Organizational Restructuring.
 - (iv) Value of the assets to be contributed upon the exercise of Share Options:
The value of the assets to be contributed upon the exercise of each Share Options shall be decided according to (5) above after taking into consideration the conditions, etc. of the Organizational Restructuring.
 - (v) Exercise period of Share Options:
Starting from the later of either the first date of the exercise period of Share Options as stipulated in (6) above, or the date on which the Organizational Restructuring becomes effective and ending on the expiration date for the exercise of Share Options as stipulated in (6) above.
 - (vi) Matters concerning increase in capital and capital reserve to be increased by issuing of shares by the Restructured Company upon the exercise of Share Options:
To be determined in accordance with (8) above.
 - (vii) Restriction on acquisition of Share Options by transfer:
Acquisition of Share Options by transfer shall be subject to the approval of the Board of Directors of the

Restructured Company (or by the majority decision of Directors if such company is not a company with Board of Directors).

(viii) Conditions and reasons for the acquisition of Share Options:

To be determined in accordance with (7) and (9) above.

(12) Rules pertaining to fractions of less than one share arising from the exercise of Share Options:

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

(13) Other details of Share Options:

Other details of Share Options shall be determined by the meeting of the Board of Directors to determine the Subscription Requirements of Share Options.

< General Meeting of Class Shareholders by Holders of the Common Shares >

Reference Information Regarding Proposal

Proposal : Share Consolidation

Subject to the approval of Proposal No.1,” Partial Amendments to the Articles of Incorporation”, at the 123rd Ordinary General Meeting of Shareholders, Sharp will change the number of shares in a unit of Sharp’s common shares from 1,000 to 100, as of October 1, 2017, and would like to consolidate common shares in order to maintain the standard of the value per trading unit of common shares, while taking into consideration the mid- to long-term volatility of stock prices. In addition, as it is stipulated that when common shares are consolidated, Class C shares will be consolidated in the same ratio (Article 6-4, Paragraph 7, Item (1) of the current Articles of Incorporation of Sharp), they will be consolidated in the same way as common shares.

The share consolidation is on the proviso that the Proposal No.2, “Share Consolidation” is approved at the 123rd Ordinary General Meeting of Shareholders and General Meeting of each Class Shareholders by Holders of the Common Shares, Class A Shares and Class C Shares, and will be effective as of October 1, 2017.

(1) Class of Consolidated Shares

Common shares and Class C shares

(2) Method and Ratio of the Consolidation

Based on the number of shares held by the shareholders recorded in the last shareholders register as of September 30, 2017, each ten (10) shares will be consolidated into one (1). In the case where fractional shares that are less than one (1) share result from the share consolidation, Sharp will sell them in a bulk sale under the provisions of the Companies Act and distribute the sales proceeds to the shareholders that hold fractional shares in proportion to the number of fractional shares they hold.

(3) Effective Date of Share Consolidation

October 1, 2017 (scheduled)

(4) Total Number of Shares Authorized to be Issued as of Effective Date

1 billion shares

By consolidating the shares, under the provisions of the Companies Act 182-2, the Articles of Incorporation will be deemed to have been amended regarding the total number of shares authorized to be issued as of the effective date of the share consolidation.

CONSOLIDATED BALANCE SHEET

(As of March 31, 2017)

(Millions of Yen)

ASSETS		LIABILITIES	
Current Assets	1,193,709	Current Liabilities	801,637
Cash and deposits	482,117	Notes and accounts payable	306,007
Notes and accounts receivable	375,564	Electronically recorded obligations	44,560
Inventories	217,892	Short-term borrowings	113,534
Other current assets	126,697	Accrued expenses	139,523
Allowance for doubtful receivables	-8,562	Accrued employees' bonuses	21,137
		Accrued product warranty	18,930
		Promotional Allowance	15,913
		Provision for business structure improvement	4,069
Non-Current Assets	579,936	Valuation reserve for inventory purchase commitments	48,618
Tangible Fixed Assets	349,614	Other current liabilities	89,342
Buildings and structures	625,139		
Machinery, equipment and vehicles	1,155,188	Long-Term Liabilities	664,243
Tools and furniture	250,872	Straight bonds	40,000
Land	95,760	Long-term borrowings	490,333
Construction in Progress	18,434	Net defined benefit liability	110,074
Other tangible fixed assets	50,901	Other long-term liabilities	23,836
Less accumulated depreciation	-1,846,683	Total Liabilities	1,465,881
		NET ASSETS	
Intangible Fixed Assets	42,359	Owners' Equity	419,292
Software	28,856	Common Stock	5,000
Other intangible fixed assets	13,503	Capital Surplus	576,792
		Retained Earnings	-148,597
		Less cost of Treasury Stock	-13,902
Investments and Other Assets	187,962	Accumulated Other Comprehensive Income	-125,138
Investment securities	151,270	Net Unrealized Holding Gains on Securities	14,474
Retirement benefits-related assets	299	Deferred Gains on Hedges	39
Other fixed assets	38,940	Foreign Currency Translation Adjustments	-44,355
Allowance for doubtful receivables	-2,548	Remeasurements of defined benefit plans	-95,296
Deferred Assets	36	Minority Interests	13,646
Bond issue cost	36	Total Net Assets	307,801
Total Assets	1,773,682	Total Liabilities and Net Assets	1,773,682

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

CONSOLIDATED STATEMENT OF INCOME

(From April 1, 2016 to March 31, 2017)

(Millions of Yen)

Net Sales		2,050,639
Cost of sales		1,666,784
Gross profit		383,854
Selling, general and administrative expenses		321,400
Operating loss		62,454
Non-Operating Income		12,787
Interest and dividend income	2,246	
Other non-operating income	10,541	
Non-Operating Expenses		50,171
Interest expenses	6,394	
Other non-operating expenses	43,776	
Ordinary Income		25,070
Special Income		13,901
Gain on sales of noncurrent assets	3,295	
Gain on sales of investment securities	3,215	
Gain on Change in equity	1,112	
Receipt of settlement package	6,278	
Special Losses		39,559
Loss on sales and retirement of noncurrent assets	4,390	
Impairment loss	34,668	
Loss on valuation of investment securities	500	
Loss before income taxes and minority interests		587
Corporate income, inhabitant and business taxes		20,137
Adjustment to income taxes		3,600
Net Loss		24,325
Minority Loss		551
Net Loss after Minority Loss		24,877

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

CONSOLIDATED STATEMENT OF CHANGES IN NET ASSETS

(From April 1, 2016 to March 31, 2017)

(Millions of Yen)

	Owners' Equity				
	Capital stock	Capital surplus	Retained earnings	Less cost of treasury stock	Total owners' equity
Balance at April 1, 2016	500	222,457	-123,644	-13,899	85,414
Changes of items during the period					
Issue of new shares	194,405	194,405			338,811
Transfer from capital stock to capital surplus	-189,905	189,905			-
Net loss attributable to owners of Parent			-24,877		-24,877
Change of scope of consolidation			-76		-76
Purchase of treasury stock				-29,978	-29,978
Disposal of treasury stock		-0		1	0
Cancellation of treasury stock		-29,974		29,974	-
Net changes of items other than owners' equity					
Total changes of items during the Period	4,500	354,335	-24,954	-2	333,878
Balance at March 31, 2017	5,000	576,792	-148,597	-13,902	419,292

	Accumulated Other Comprehensive Income					Minority interests	Total Net Assets
	Net unrealized holding gains (losses) on securities	Deferred gains (losses) on hedges	Foreign currency translation adjustments	Remeasure - ments of defined benefit plans	Total accumulated other comprehensive income		
Balance at April 1, 2016	11,634	-843	-38,456	-100,799	-128,464	11,839	-31,211
Changes of items during the period							
Issue of new shares							388,811
Transfer from capital stock to capital surplus							-
Net loss attributable to owners of Parents							-24,877
Change of scope of consolidation							-76
Purchase of treasury stock							-29,978
Disposal of treasury stock							0
Cancellation of treasury stock							-
Net changes of items other than owners' equity	2,840	882	-5,899	5,503	3,326	1,807	5,133
Total changes of items during the period	2,840	882	-5,899	5,503	3,326	1,807	339,012
Balance at March 31, 2017	14,474	39	-44,355	-95,296	-125,138	13,646	307,801

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

BALANCE SHEET (based on non-consolidated results)

(As of March 31, 2017)

(Millions of Yen)

SSETS		LIABILITIES	
Current Assets	818,319	Current Liabilities	628,924
Cash and deposits	364,589	Notes payable	7,401
Notes receivable	3,742	Electronically recorded obligations	43,490
Accounts receivable	276,641	Accounts payable	165,770
Finished products	40,433	Short-term borrowings	85,000
Work in process	18,985	Lease liabilities	3,722
Raw materials and supplies	4,009	Accounts payable-other	28,503
Advances	37,466	Accrued expenses	106,687
Prepaid expenses	821	Income taxes payable	1,910
Other current assets	73,485	Deferred tax liabilities	66
Allowance for doubtful receivables	-1,858	Advances received	9,418
		Deposits received	45,885
		Accrued employees' bonuses	13,500
		Accrued product warranty	10,791
Non-Current Assets	654,928	Provision for business structure improvement	1,152
Tangible Fixed Assets	284,560	Valuation reserve for inventory purchase commitments	48,618
Buildings	133,988	Provision for business loss on subsidiaries and affiliates	56,427
Structures	4,249	Other current liabilities	577
Machinery and equipment	26,245		
Vehicles	9	Long-term Liabilities	545,441
Tools and furniture	4,873	Straight bonds	40,000
Land	90,761	Long-term borrowings	488,993
Lease assets	6,499		3,012
Construction in progress	17,933	Lease liabilities	5,854
		Deferred tax liabilities	7,534
Intangible Fixed Assets	24,945	Other long-term liabilities	48
Industrial property	54	Total Liabilities	1,174,365
Rights to use facilities	13		
Software	24,877	NET ASSETS	
		Owners' Equity	286,033
Investments and Other Assets	345,422	Common Stock	5,000
Investment securities	65,149	Capital Surplus	576,882
Stocks of subsidiaries and affiliates	232,412	Capital reserve	1,250
Investments in capital of subsidiaries and affiliates	39,808	Other capital surplus	575,632
Long-term prepaid expenses	6,782	Retained Earnings	-281,947
Other fixed assets	3,412	Other retained earnings	-281,947
Allowance for doubtful receivables	-2,142	Reserve for advanced depreciation on non-current assets	4,157
		Retained earnings carried forward	-286,105
Deferred Assets	36	Treasury Stock	-13,902
Bond issue cost	36	Valuation and Translation Adjustments	12,884
		Net Unrealized Holding Gains on Securities	13,094
		Deferred Gains on Hedges	-209
Total Assets	1,473,283	Total Net Assets	298,918
		Total Liabilities and Net Assets	1,473,283

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

STATEMENT OF INCOME (based on non-consolidated results)

(From April 1, 2016 to March 31, 2017)

(Millions of Yen)

Net Sales	1,577,301
Cost of sales	1,389,896
Gross profit	187,404
Selling, general and administrative expenses	151,116
Operating loss	36,288
Non-Operating Income	29,104
Interest and dividend income	18,395
Other non-operating income	10,708
Non-Operating Expenses	30,469
Interest expenses	6,736
Other non-operating expenses	23,732
Recurring loss	34,922
Special Income	4,450
Gain on sales of noncurrent assets	868
Gain on sales of investment securities	1,429
Gain on stock extinguishment	451
Receipt of settlement	1,701
Special Losses	57,164
Loss on sales and retirement of noncurrent assets	4,128
Impairment loss	33,701
Loss on valuation of investment securities	12
Loss on valuation of stocks of subsidiaries and affiliates	418
Loss on valuation of investments in capital of subsidiaries and affiliates	107
Loss on sales of stocks of subsidiaries and affiliates	4,175
Provision for business loss on subsidiaries and affiliates	14,620
Loss before income taxes	17,791
Corporate income, inhabitant and business taxes	201
Adjustment to income taxes	287
Net loss	18,279

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

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

(From April 1, 2016 to March 31, 2017)

(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, 2016	500	125	222,421	222,546	2	4,252	-267,921	-263,667
Changes of items during the Period								
Issue of new stocks	194,405	194,405		194,405				
Transfer from capital stock to capital surplus	-189,905		189,905	189,905				
Transfer from reserve to surplus		-193,280	193,280	—				
Reversal of reserve for special depreciation					-2		2	—
Reversal of reserve for advanced depreciation on non-current assets						-94	94	—
Net loss							-18,279	-18,279
Purchase of treasury stock								
Disposal of treasury stock			-0	-0				
Cancellation of treasury stock			-29,974	-29,974				
Net changes of items other than owners' equity								
Total changes of items during the period	4,500	1,125	353,210	354,335	-2	-94	-18,183	-18,279
Balance at March 31, 2016	5,000	1,250	575,632	576,882	-	4,157	-286,105	-281,947

	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, 2015	-13,899	-54,519	10,396	-1,029	9,367	-45,152
Changes of items during the period						
Issue of new stocks		388,811				388,811
Transfer from capital stock to capital surplus		—				—
Transfer from reserve to surplus		—				—
Reduction of deficit		—				—
Reversal of reserve for special depreciation		—				—
Reversal of reserve for advanced depreciation on non-current assets		—				—
Net loss		-18,279				-18,279
Purchase of treasury stock	-29,978	-29,978				-29,978
Disposal of treasury stock	1	0				0
Cancellation of treasury stock	29,974	-				-
Net changes of items other than owners' equity			2,698	819	3,517	3,517
Total changes of items during the period	-2	340,553	2,698	819	3,517	344,070
Balance at March 31, 2016	-13,902	286,033	13,094	-209	12,884	298,918

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