

May 12, 2025

To Whom It May Concern

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

(Progress Disclosure) Notice Regarding Issuance of Stock Options (Stock Acquisition Rights)

Sharp Corporation (hereinafter “Sharp”) resolved to issue stock acquisition rights as one of the types of remuneration for Directors, Executives and Employees of Sharp and its subsidiaries at the 130th Annual General Shareholders’ Meeting (held on June 27, 2024). Today, Sharp announces the details including the specific number of stock acquisition rights to be issued and the date of allotment have been decided with the resolution of the Board of Directors meeting.

1. Name
Fifth Stock Acquisition Rights
2. Persons to whom stock acquisition rights will be allotted and total number of stock acquisition rights to be issued

Persons of the Stock Acquisition Rights	Number of Persons	(Number of Stock Acquisition Rights)
Directors (excluding Outside Directors) of Sharp	2	1,500
Executive officers of Sharp	6	3,600
Employees of Sharp	564	31,785
Directors (excluding Outside Directors) of wholly-owned subsidiaries of Sharp	1	450
Executive officers of wholly-owned subsidiaries of Sharp	1	70
Employees of wholly-owned subsidiaries of Sharp	119	6,220
total	693	43,625

3. Date of allotment
June 10, 2025
4. Details of stock acquisition rights
As indicated in Appendix “Terms and Conditions for the Issuance”
5. Cash payment for stock acquisition rights
No cash payment is required for the Fifth Stock Acquisition Rights

Appendix Terms and Conditions for the Issuance

1. Name of stock acquisition rights

The name of stock acquisition rights shall be the “Fifth Stock Acquisition Rights”.

2. Details of stock acquisition rights

(1) Class and number of shares to be issued upon the exercise of the stock acquisition rights

The class of shares to be issued upon the exercise of the stock acquisition rights shall be the common stock of Sharp, and the number of shares to be issued for each stock acquisition right shall be 100 shares.

If Sharp 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 stock acquisition rights 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 Sharp 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.

(2) Value of assets to be contributed upon the exercise of stock acquisition rights

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

The Exercise Value shall be 877.9 yen or the closing price on the Tokyo Stock Exchange on the date of 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 Sharp splits its common stock or consolidates its common stock after the issuance of stock acquisition rights, 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.

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

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 stock acquisition rights (including bonds with stock acquisition rights) and conversion of securities convertible into common stock of Sharp), 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.

$$\begin{array}{ccccccc} \text{Exercise} & & \text{Exercise} & & \text{Number} & & \text{Number of} \\ \text{Value} & & \text{Value} & & \text{of shares} & & \text{shares} \\ \text{after} & = & \text{before} & \times & \text{already} & + & \text{newly issued} \\ \text{adjust-} & & \text{adjust-} & & \text{issued} & & \\ \text{ment} & & \text{ment} & & & & \\ & & & & \text{Number of shares} & + & \text{Amount paid in} \\ & & & & \text{already issued} & & \text{per share} \\ & & & & & & \text{Stock price before new issuance} \\ & & & & & & \text{Number of shares} \\ & & & & & & \text{newly issued} \end{array}$$

The “Number of shares already issued” in the above formula shall be the total number of issued shares of Sharp less the number of treasury shares held by Sharp. If Sharp 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.”

If Sharp 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.

(3) Exercise period of stock acquisition rights

The exercise period shall be from the date (June 10, 2027) on which two (2) years have passed from the date of allotment of the stock acquisition rights to the date (May 12, 2035) on which ten (10) years have passed from the date of grant resolution. If the final day of the exercise period falls on a holiday of Sharp, the final day shall be the working day immediately preceding the final day.

(4) Conditions etc. for exercise of stock acquisition rights

- (i) The holders of stock acquisition rights shall remain Directors, Auditors, Executive Officers or employees of Sharp or its subsidiaries at the time of exercising stock acquisition rights; provided, however, that exceptional treatment may be allowed in this regard in writing by the board of directors meeting of Sharp in consideration of the circumstances.
- (ii) Stock acquisition rights may be exercised by the holder of stock acquisition rights, in whole or in part, according to the following categories.
 - i) The entire allotment of stock acquisition rights 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 stock acquisition rights, 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 stock acquisition rights, such fraction shall be rounded down).
 - iii) 75% of the allotment of stock acquisition rights, 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 stock acquisition rights, such fraction shall be rounded down).
 - iv) The entire allotment of stock acquisition rights may be exercised from the date on which four (4) years have passed from the date of allotment to the date on which ten

(10) years have passed from the date of grant resolution.

- (iii) Stock acquisition rights shall not be inherited; provided, however, that exceptional treatment may be allowed in this regard in writing by the board of directors meeting in consideration of the circumstances.
- (iv) Other conditions shall be subject to the “Stock Acquisition Rights Allotment Agreement” to be executed between Sharp and the holders of stock acquisition rights.

(5) Matters concerning increase in capital and capital reserve by issuing of shares upon exercise of stock acquisition rights

- (i) Amount of increase in capital by issuing shares upon exercise of stock acquisition rights 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 stock acquisition rights shall be the upper limit of capital increase as described in (i) above less the amount of increase in capital set out therein.

(6) Restriction on the acquisition of stock acquisition rights by transfer

Any acquisition of stock acquisition rights by transfer shall require an approval of the board of directors meeting of Sharp by its resolution.

(7) Reasons and conditions for the acquisition of stock acquisition rights

Sharp may acquire stock acquisition rights on the date otherwise determined by the board of directors meeting of Sharp without any compensation therefor in the following cases

- (i) In the case where a proposal of any merger agreement under which Sharp is dissolved, or any absorption-type company split (kyushu-bunkatsu) agreement or incorporation-type company split (shinsetsu-bunkatsu) plan in which Sharp will be a splitting company, or any share exchange agreement or share transfer plan in which Sharp will be a wholly owned subsidiary of another company is approved at a General Shareholders’ Meeting of Sharp (or by the Board of Directors meeting for a company split that does not require the approval of the General Shareholders’ Meeting)
- (ii) In the case where a holder of stock acquisition rights ceases to accommodate the conditions of 2. (4) above before exercising stock acquisition rights; or
- (iii) In the case where a holder of stock acquisition rights requests a waiver of Stock acquisition rights.

(8) Treatment of stock acquisition rights in case of organizational restructuring of Sharp

In the event Sharp merges (limited to cases where Sharp 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”), stock acquisition rights 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 stock acquisition rights remaining unexercised (hereinafter “Remaining stock acquisition rights”) at the time when Organizational Restructuring takes effect. In this case, the Remaining stock acquisition rights will lapse and the Restructured Company will issue new stock acquisition rights. However, the foregoing shall apply only to cases in which the delivery of stock acquisition rights 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 stock acquisition rights of the Restructured Company to be delivered
The Restructured Company shall deliver stock acquisition rights, the number of which shall equal the number of Remaining stock acquisition rights held by the holder of the Remaining stock acquisition rights.
- (ii) Class of shares of the Restructured Company to be issued upon the exercise of stock acquisition rights
Shares of common stock of the Restructured Company
- (iii) Number of shares of the Restructured Company to be issued upon the exercise of stock acquisition rights
To be decided according to 2. (1) above after taking into consideration the conditions, etc. of the organizational restructuring.
- (iv) Value of the assets to be contributed upon the exercise of stock acquisition rights
The value of the assets to be contributed upon the exercise of each stock acquisition rights shall be decided according to 2. (2) above after taking into consideration the conditions, etc. of the Organizational Restructuring.
- (v) Exercise period of stock acquisition rights
Starting from the later of either the first date of the exercise period of stock acquisition rights as stipulated in 2. (3) above, or the date on which the Organizational Restructuring becomes effective and ending on the expiration date for the exercise of stock acquisition rights as stipulated in 2. (3) 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 stock acquisition rights
To be determined in accordance with 2. (5) above.
- (vii) Restriction on acquisition of stock acquisition rights by transfer
Acquisition of stock acquisition rights by transfer shall be subject to the approval of the board of directors meeting of the Restructured Company (or by the majority decision of directors if such company is not a company with board of directors meeting).
- (viii) Conditions and reasons for the acquisition of stock acquisition rights
To be determined in accordance with 2. (4) and 2. (7) above.

- (9) Rules pertaining to fractions of less than one share arising from the exercise of stock acquisition rights
Fractions of less than one share in the number of shares to be delivered to holders of stock acquisition rights who exercised stock acquisition rights shall be rounded down.

(10) Non-issuance of stock acquisition right certificates

Stock acquisition rights certificates pertaining to the stock acquisition rights shall not be issued.

End