

Sharp Signs Agreement for LCD Panel Production Project in China

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On 31st August, Sharp Corporation has signed an agreement with Nanjing CEC-PANDA LCD Technology Co., Ltd (hereafter “New company”) to carry out the project for production of LCD panels using 6th generation glass substrates and construction of its LCD panel plant. This new company is an LCD production company established jointly by Nanjing-city and Nanjing China Electronics Panda Group Corporation*¹ (hereafter “CEC Panda”).

Sharp will collaborate with the new company on construction of the LCD panel plant adopting the 6th generation glass substrates in Nanjing-city and production of LCD panels, by providing its LCD production technology and know-how as well as the sales of 6th generation production equipment of Kameyama Plant No.1 incorporating cutting-edge production technology. The plant is scheduled to start operation by March 2011.

In addition to the production of LCD panels using the 6th generation glass substrates, Sharp, Nanjing-city and China Electronics Corporation*²(hereafter “CEC”) have signed a memorandum of intent (hereafter “MOI”) to establish a joint venture to produce LCD panels using 8th generation glass substrates, to meet the ever-growing demand for LCD panels in Chinese market.

Furthermore, to strengthen the LCD panel production and LCD TV businesses in China, together with the above LCD panel project, Sharp will establish an “LCD R&D Center (hereafter “R&D Center”)” to research and develop from LCD panels to LCD TVs. In April 2010, Sharp is planning to construct the center in Nanjing-city.

In 2001, Sharp started assembly of LCD TVs in its Nanjing plant and has been conducting integrated production from LCD modules to LCD TV assembly from 2006. The LCD panel production and establishment of the R&D Center will realize vertically integrated production extending from R&D, production of LCD panels and modules, to assembly of the LCD TVs in China. The investment and business operation of LCD related companies are expected to become more active to form a “Crystal Valley in Nanjing-City” in the near future.

To meet the increasing demand for LCD panels from worldwide TV manufacturers, Sharp has been increasing the production capacity of Kameyama Plant No.2 from this August. In addition, Sharp is planning to start operation of a new LCD panel plant in Sakai-city from this October, as well as starting LCD panel production project in China. Sharp will continue to strengthen its global production system to achieve greater cost competitiveness.

Overview of the Agreement for the production of LCD panels using 6th generation glass substrates

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| Contractor: | Sharp Corporation, Nanjing CEC-PANDA LCD Technology Co., Ltd |
| Contents of the Agreement: | An agreement to carry out the project including the sales of production equipment of Kameyama Plant No.1, as well as the technology licensing of production technology for LCD panels using 6 th generation glass substrates |
| Location: | Nanjing-city, Jiangsu-Province, China |
| Production Items: | LCD panels and modules |
| Input Capacity: | 80,000 substrates per month (initial capacity at the start of operation: 60,000 substrates per month) |
| Start of Construction: | November 2009 (plan) |
| Start of Operation: | By March 2011 (plan) |

Overview of the MOI for the production of LCD panels using 8th generation glass substrates

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| Participating Parties: | Sharp Corporation, Nanjing-city, China Electronics Corporation |
| Contents of the MOI: | Joint venture project for production of LCD panels using 8 th generation glass substrates |
| Location: | Nanjing-city, Jiangsu-Province, China |
| Production Items: | LCD panels and modules |
| Start of Operation: | To be determined |

Overview of LCD R&D Center

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| Operator: | Sharp Corporation Capital Investment (100% by Sharp Corporation) |
| Objective of the R&D Center: | R&D of LCD panels, modules and LCD TVs |
| Location: | Nanjing-city, Jiangsu-Province, China |
| Establishment: | April 2010 (plan) |

<Company Profile>

*1 Nanjing China Electronics Panda Group Corporation (CEC Panda)

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| Location: | Nanjing-city, Jiangsu-Province, China |
| Company Detail: | Group of Electronics and Telecommunication Companies: Capital Investment (70% by China Electronics Corporation, 15% each by Jiangsu-Province and Nanjing-city) |
| General Manager: | Lai Weide |
| Capital: | 1 billion yuan (approx. 13 billion yen) |

*2 China Electronics Corporation (CEC) ; Parent company of CEC Panda

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|---------------------------|---|
| Location of Headquarters: | Haidian District, Beijing-city, China |
| Company Details: | One of the largest Groups of Electronics and Telecommunication Companies in China under direct command of State-owned Assets Supervision and Administration Commission of the State Council |
| President: | Liu Lie Hong |
| Capital: | 7.9 billion yuan (approx. 100 billion yen) |