

May 24, 2012

Company Name: Sharp Corporation

Representative: Toshio Adachi

Representative Director & Executive Vice President

(Code No. 6753)

Company Name: Toppan Printing Co., Ltd.

Representative: Shingo Kaneko

President & Representative Director

(Code No. 7911)

Company Name: Dai Nippon Printing Co., Ltd.

Representative: Yoshitoshi Kitajima

President

(Code No. 7912)

**Business Integration (Simplified Absorption-type Company Split) of Liquid Crystal Display Color Filter Businesses
Operated by Toppan Printing and Dai Nippon Printing at Sakai Plant into Sharp's Subsidiary
and Transfer of Sharp's Subsidiary**

Sharp Corporation ("Sharp"), Toppan Printing Co., Ltd. ("Toppan") and Dai Nippon Printing Co., Ltd. ("DNP") executed a basic agreement with regard to the business integration of the liquid crystal display color filter (LCD color filter) businesses operated by Toppan Group and DNP Group at Sakai Plant into Sharp's subsidiary, Sharp Display Products Corporation ("SDP"), ("Business Integration") on April 10, 2012 and have conducted deliberations on concrete issues.

Based on such deliberations, we hereby announce that Sharp, Toppan and DNP resolved at their respective board of directors meeting held today to: (i) execute business integration agreements; and (ii) transfer the LCD color filter businesses at Sakai Plant operated by Toppan, DNP and DNP's wholly owned subsidiary, DNP Color Techno Sakai Co., Ltd. ("DNP Color Techno Sakai"), in the manner of absorption-type company split (hereinafter the absorption-type company split of Toppan, absorption-type company split of DNP, and absorption-type company split of DNP Color Techno Sakai shall be collectively or individually referred to as the "Absorption-type Company Split". Any absorption-type company split agreements to be executed in association with the Absorption-type Company Split shall be collectively or individually referred to as the "Absorption-type Company Split Agreement".)

Please note that the matters and contents disclosed in this announcement are partially omitted since the Absorption-type Company Split expects that the amounts of total assets held by Toppan and DNP will drop respectively by less than 10% of their net assets and their sales will drop by less than 3% respectively.

In addition, Sharp hereby announces that transfer of its subsidiary, SDP, is expected in connection with the Business Integration.

I. Purpose of Business Integration (Absorption-type Company Split) of LCD Color Filter Businesses into SDP

SDP, Sakai Plant is the world's one and only 10th-generation liquid crystal display (LCD) plant which started operations in October 2009. With the participation of manufacturers of energy infrastructure such as electricity, gas and water in addition to manufacturers of LCD panel components, SDP, Sakai Plant realized integrated production from components to LCD panels and thereby promoted the vertical integration of LCD panel production.

However, the management of SDP has been exposed to increasingly severe circumstances such as the prolonged strong yen and drop in the market price of digital products resulting from ruthless market competition, and SDP is now forced to seek more efficiency in its management in order to stabilize operations and reinforce cost competitiveness at Sakai Plant.

Sharp recently executed the Capital and Business Alliance Agreement with the Group of Hon Hai Precision Ind. Co., Ltd. (“Hon Hai”). Under this Agreement, each of Hon Hai and Sharp shall take delivery from SDP 50% of SDP’s production of LCD panels and modules respectively, and aims at maintaining the high operation rate and improving the cost performance and profitability of SDP. On this occasion, Sharp, Toppan and DNP have decided to integrate the LCD color filter businesses operated by Toppan Group and DNP Group at Sakai Plant into SDP. With these strategic efforts, we are seeking to promote further efficiency of large-sized LCD business including the businesses of color filters, the primary component of LCD panels, and achieve the improvement of the competitiveness of such businesses.

II. The Business Integration of Toppan, DNP, and DNP Color Techno Sakai into SDP

1. Outline of Company Split

(1) Schedule of Company Split

Date of Resolution at Board of Directors' Meeting pertaining to the Absorption-type Company Split	May 24, 2012
Execution Date of the Absorption-type Company Split Agreement	May 24, 2012
Date of Resolution at General Shareholders' Meeting to approve the Absorption-type Company Split Agreement (DNP Color Techno Sakai)	June 15, 2012 (scheduled)
Date of Resolution at General Shareholders' Meeting to approve the Absorption-type Company Split Agreement (SDP)	June 25, 2012 (scheduled)
Effective Date of the Absorption-type Company Split	June 30, 2012 (scheduled)

Note 1: Toppan and DNP will perform the Business Integration without obtaining an approval at their respective general shareholders meeting with respect to the execution of the Absorption-type Company Split Agreements in accordance with the procedures of simplified company split prescribed in the provision of paragraph 3, Article 784 of the Companies Act.

Note 2: The Absorption-type Company Split may take effect on July 1, 2012 or later depending on the development of necessary procedures under the Antitrust Law of Japan and abroad. The details will be notified as soon as determined.

(2) Method of Company Split

The method to be employed is an absorption-type company split which designates Toppan, DNP and DNP Color Techno Sakai as split companies and SDP as their succeeding company.

(3) Allocation of Shares in relation to Company Split

On the occasion of the Absorption-type Company Split, SDP is scheduled to issue 670,000 new common shares, of which SDP will allocate 335,000 shares to Toppan, 297,620 shares to DNP and 37,380 shares to DNP Color Techno Sakai. To coincide with such allocation, DNP Color Techno Sakai will deliver to its 100% parent company, DNP, all of the shares allocated by SDP as dividend of surplus. In addition, SDP is scheduled to deliver, as an additional consideration, 10,383 million yen in cash to Toppan and 8,228 million yen in cash to DNP, and Toppan and DNP are scheduled to make a loan to SDP in exchange for such consideration in cash.

(4) Stock Option and Bond with Stock Option in relation to Company Split

- ① Toppan has issued bonds with stock option, however, the obligations associated with the said bonds will not be transferred to or succeeded by SDP.
- ② DNP and DNP Color Techno Sakai have not issued any stock options nor bonds with stock option.

(5) Reduction in the amount of stated capital due to the Company Split

There is no reduction in the amounts of stated capital of Toppan, DNP and DNP Color Techno Sakai.

(6) Rights and obligations which will be succeeded by the succeeding company

It is scheduled that SDP will succeed the assets, debts, and any other relevant rights and obligations with respect to the business of LCD color filter at Sakai Plant operated by Toppan, DNP and DNP Color Techno Sakai according to the Absorption-type Company Split Agreement.

(7) Potential obligations to be fulfilled by SDP

In light of prospective business development and anticipated earnings, it is determined that there will not be any issues with respect to the prospect regarding fulfillment of obligations by SDP.

2. Estimation of the Value and Content of the Allotment with respect to the Company Split

As a way of procedures to secure fairness and validity of the Business Integration, Sharp, Toppan and DNP have, respectively, selected financial advisors.

Based on the advice of its financial advisors, each of three companies has estimated the consideration of the allotment with respect to the Company split as it corresponds to the value of the splitting business, based on the cash flows, net assets and other relevant matters of the splitting business with respect to the Company Split.

Based on such estimation, Sharp, Toppan and DNP have finally determined and made resolution upon the value of the allotment after holding various meetings and carefully consulting among the parties and have further resolved at their respective Board of Directors' Meeting.

3. Outline of Corporate Parties Involved in the Company Split

(1) Outline of Split Companies (as of March 31, 2012)

① Name	Toppan Printing Co., Ltd.	Dai Nippon Printing Co., Ltd.	DNP Color Techno Sakai Co., Ltd.
② Location	1-5-1 Taito, Taito-ku, Tokyo	1-1-1 Ichigaya Kagacho, Shinjuku-ku, Tokyo	1 Takumicho, Sakai-ku, Sakai-shi, Osaka
③ Name and Title of Representative	Shingo Kaneko President & Representative Director	Yoshitoshi Kitajima President	Tatsuro Kitayuguchi President
④ Nature of Business	Information & Network (securities, cards, commercial printing, publication printing, etc.), Living environment (package, high functionality components, building and decorative material, etc), Electronics (display and semiconductor-related materials), etc.	Printing etc.	Designing, production and sales of electrical equipment and materials.
⑤ Capital	¥104,986 million	¥114,464 million	¥400 million
⑥ Date of Establishment	January 17, 1900	January 19, 1894	August 1, 2008
⑦ Number of Issued Shares	699,412,481 shares	700,480,693 shares	16,000 shares
⑧ Fiscal Year End	March 31	March 31	March 31
⑨ Major Shareholder and Ratio of Shareholding (as of September 30, 2011)	Trust Account of the Master Trust Bank of Japan, Ltd. 5.18% Nippon Life Insurance Company 4.67% Trust Account of Japan Trustee Services Bank, Ltd. 4.30%	Trust Account of the Master Trust Bank of Japan, Ltd. 5.79% The Dai-ichi Life Insurance Company, Ltd. 4.41% The Bank of New York Mellon as Depository Bank for Depository Receipt Holders (Sumitomo Mitsui Banking Corporation as Standing Proxy) 4.24%	Dai Nippon Printing Co., Ltd. 100%

⑩ Relationship between SDP and the Parties			
Capital Relationship	There is no capital relationship between SDP and Toppan Printing Co., Ltd.	There is no capital relationship between SDP and Dai Nippon Printing Co., Ltd.	There is no capital relationship between SDP and DNP Color Techno Sakai Co., Ltd.
Personnel Relationship	There is no personnel relationship between SDP and Toppan Printing Co., Ltd.	There is no personnel relationship between SDP and Dai Nippon Printing Co., Ltd.	There is no personnel relationship between SDP and DNP Color Techno Sakai Co., Ltd.
Business Relationship	Toppan Printing Co., Ltd. sells LCD color filter to SDP through Sharp Corporation	Dai Nippon Printing Co., Ltd. sells LCD color filter to SDP through Sharp Corporation	DNP Color Techno Sakai Co., Ltd. sells LCD color filter to SDP through Dai Nippon Printing Co., Ltd. and Sharp Corporation
Status as a Related Party	Toppan Printing Co., Ltd. is not an affiliate of SDP	Dai Nippon Printing Co., Ltd. is not an affiliate of SDP	DNP Color Techno Sakai Co., Ltd. is not an affiliate of SDP
⑪ Result of Operations and Financial Condition for the Most Recent Business Year			
Fiscal Year End	Toppan Printing Co., Ltd. (Consolidated)	Dai Nippon Printing Co., Ltd. (Consolidated)	DNP Color Techno Sakai Co., Ltd. (Non-Consolidated)
	March 2012	March 2012	March 2011
Net Assets	866,218	914,213	-400
Total Assets	1,586,823	1,608,806	4,293
Net Assets per Share(yen)	1,137.46	1352.71	-25,057.92
Sales Amount	1,510,414	1,507,227	37,538
Operating Profits	31,555	34,015	813
Net Income	3,068	-16,356	333
Net Income per Share (yen)	4.77	-25.39	20,874.80
Dividend per Share (yen)	18	32	—

(Unit: Million yen, unless otherwise specified)

(2) Outline of the Succeeding Company

Sharp Display Products Corporation

Please refer to “III. 1. Outline of Subsidiary to be Changed “ for the outline of SDP

4. Outline of the Splitting Business

(1) Content of the Splitting Business

The business of LCD color filter operated by Toppan, DNP and DNP Color Techno Sakai at Sakai Plant.

(2) Result of Operations of Splitting Business

Name	Toppan	DNP	DNP Color Techno Sakai
Fiscal Year End	March 2012	March 2012	March 2011
Sales Amount	¥22,042 million	¥30,152 million	¥37,358 million

(3) Items and Amount of Splitting Assets and Liabilities

Name	Toppan (As of March 31, 2012)	DNP (As of March 31, 2012)	DNP Color Techno Sakai (As of March 31, 2011)
Assets	¥35,079 million	¥30,080 million	¥2,925 million
Liabilities	¥6,518 million	¥5,064 million	— million

5. Conditions after the Company Split

No changes are made to the name, address of the headquarter, title and name of the representative, nature of business (except for the business subject to the Absorption-type Company Split), stated capital and accounting period of the splitting company subject to the Absorption-type Company Split.

6. Status of Succeeding Company after the Company Split

① Name	Sharp Display Products Corporation		
② Location	1 Takumicho, Sakai-ku, Sakai-shi, Osaka		
③ Name and Title of Representative	Hiroshi Saji, President		
④ Nature of Business	Production and sales of large-sized LCD panels and modules		
⑤ Capital	¥15,000 million		
⑥ Fiscal Year End	March 31		
⑦ Shareholding Ratio	Sharp Corporation	37.61%	
	Terry Tai-Ming Gou	37.61%	
	Toppan Printing Co., Ltd.	9.54%	
	Dai Nippon Printing Co., Ltd.	9.54%	
	Treasury Stock	5.70%	

Note: As announced in the press release by Sharp on March 27, 2012 “Issuance of New Shares Through Third-Party Allotment Associated with Business Alliance and Partial Transfer of Shares in Subsidiaries,” Mr. Terry Tai-Ming Gou is scheduled to acquire 1,320,000 shares of SDP held by Sharp, and it is also announced on this day by Sharp in “Sharp and Sony to terminate joint venture to produce and sell large-sized LCD panels and modules” SDP is scheduled to acquire all of the SDP shares (200,000 shares) held by Sony Corporation by June 30, 2012 as acquisition of treasury shares (*). The shareholding ratios mentioned above reflect the condition after the performance and execution of the following: transfer of the SDP shares to Mr. Terry Tai-Ming Gou; acquisition of the SDP shares from Sony Corporation; and issuance of new shares through allotment in connection with the Absorption-type Company Split.

* In case SDP is not allowed to acquire the SDP shares held by Sony Corporation due to the restrictions related to buy-back of treasury shares, Sharp will acquire the SDP shares held by Sony Corporation.

7. Future Prospects

The influence and other relevant matters of the Business Integration on business performances of Sharp, Toppan, and DNP for the year ending March 2013 will be notified respectively and as promptly as necessary.

(For reference) Sharp’s Expected Consolidated Results of the Current Fiscal Year (announced on April 27, 2012) and Consolidated Results of the Last Fiscal Year

	Consolidated Sales Amount	Consolidated Operating Profits	Consolidated Net Income
Expected Results of the Current Fiscal Year (Year Ending March 2013)	¥2,700,000 million	¥20,000 million	-¥30,000 million
Results of the Last Fiscal Year (Year Ended in March 2012)	¥2,455,850 million	-¥37,552 million	-¥376,076 million

(For reference) Toppan’s Expected Consolidated Results of the Current Fiscal Year (announced on May 8, 2012) and Consolidated Results of the Last Fiscal Year

	Consolidated Sales Amount	Consolidated Operating Profits	Consolidated Net Income
Expected Results of the Current Fiscal Year (Year Ending March 2013)	¥1,550,000 million	¥40,000 million	¥15,000 million
Results of the Last Fiscal Year (Year Ended in March 2012)	¥1,510,414 million	¥31,555 million	¥3,068 million

(For reference) DNP's Expected Consolidated Results of the Current Fiscal Year (announced on May 14, 2012) and Consolidated Results of the Last Fiscal Year

	Consolidated Sales Amount	Consolidated Operating Profits	Consolidated Net Income
Expected Results of the Current Fiscal Year (Year Ending March 2013)	¥1,580,000 million	¥48,000 million	¥17,500 million
Results of the Last Fiscal Year (Year Ended in March 2012)	¥1,507,227 million	¥34,015 million	-¥16,356 million

III. Transfer of Shares of Sharp's Subsidiary

As announced by Sharp on March 27, 2012 in "Issuance of New Shares Through Third-Party Allotment Associated with Business Alliance and Partial Transfer of Shares in Subsidiaries," Mr. Terry Tai-Ming Gou will acquire 1,320,000 shares of SDP, and it is also announced publicly today by Sharp in "Sharp and Sony to terminate joint venture to produce and sell large-sized LCD panels and modules" SDP is scheduled to acquire all of the SDP shares (200,000 shares) held by Sony Corporation by June 30, 2012 as acquisition of treasury shares (*). Furthermore, SDP shares are scheduled to be issued in exchange for the split in connection with the Absorption-type Company Split. In the event of the transfer of shares to Mr. Terry Tai-Ming Gou as well as acquisition of shares from Sony Corporation by SDP, and execution of the Absorption-type Company Split were to happen, the ratio of voting rights held by Sharp in SDP will fall below 40%, and therefore, we hereby announce that the transfer of shares of subsidiary is expected.

* SDP will remain as a subsidiary of Sharp in case SDP is not allowed to acquire its shares held by Sony Corporation due to the restrictions related to buy-back of treasury shares and Sharp acquires the SDP shares held by Sony Corporation.

1. Outline of Subsidiary to be Changed (as of March 31, 2012)

① Name	Sharp Display Products Corporation		
② Location	1 Takumi-cho, Sakai-ku, Sakai, Osaka		
③ Name and Title of Representative	Hiroshi Saji, President		
④ Nature of Business	Production and sales of large-sized LCD panels and modules		
⑤ Capital	15,000 million yen		
⑥ Date of Establishment	April 1, 2009		
⑦ Number of Issued Shares	2,840,000 shares		
⑧ Fiscal Year End	March 31		
⑨ Major Shareholders and Their Shareholding Ratio	Sharp Corporation	92.96%	
	Sony Corporation	7.04%	
⑩ Relationship between Sharp and the Relevant Company			
Capital Relationship	Sharp's consolidated subsidiary		
Personal Relationship	Two employees of Sharp are seconded to the relevant company as directors.		
Transaction Relationship	Sharp and the related companies have business relationships with the relevant company regarding procurement, etc. of LCD panels and LCD modules.		
Status as a Related Party	The relevant company belongs to Sharp's related parties.		
⑪ Results of Operations and Financial Conditions for Previous Three Fiscal Years			
Fiscal Year Ended	March 2010	March 2011	March 2012
Net Assets	145,907	152,223	153,993
Total Assets	266,486	300,015	246,553
Net Assets per Share (yen)	51,375.71	53,599.73	54,222.96

Sales Amount	86,923	266,261	240,031
Operating Profits	6,756	11,274	25,965
Net Income	3,907	7,097	3,189
Net Income per Share (yen)	1,921.55	2,499.01	1,123.22
Dividend per Share (yen)	275	500	225

(Unit: Million yen, unless otherwise specified.)

2. Conditions of Shareholding after the Transfer

Please refer to the above “II. 6. Status of Succeeding Company after the Company Split.”

3. Dates of Transfer

Please refer to the above “II. 1. (1) Schedule”

4. Future Prospects

The influence on business performance of Sharp for the year ending March 2013 and other relevant matters arising from the transfer of shares will be notified as promptly as necessary.

End