

May 12, 2017

[Translation]

Company Name: Sharp Corporation  
Representative: J.W. Tai  
President & Chief Executive Officer  
(Code No. 6753)

**Notice Regarding Partial Amendments to the Articles of Incorporation**

Sharp Corporation (“Sharp”) announces that it passed a resolution at the Board of Directors meeting held today to submit a proposal for partial amendments to the Articles of Incorporation to the 123rd Annual General Shareholders’ Meeting to be held on June 20, 2017 (the “Shareholders’ Meeting”).

1. Outline and reasons

(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 “Notice Regarding Change in the Number of Shares Constituting One Unit and Share Consolidation” released today.

(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) 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.

## 2. Details of amendments

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

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/governance/policy/pdf/article.pdf>

End

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> <u>3. 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> <u>3.</u> 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 (vi)	(omitted) Put Option the Consideration for which is Cash 1. Cash consideration put option	(Class A shares) Article 6 - 2 (vi)	(unchanged) 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) 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) 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

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; the "Redeemable Amount" in this Article) 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

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 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

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. (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

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 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.

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 “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.

<p>are the <u>fifth</u> priority.</p> <p>2. The payment priority of distribution of residual assets related to Class A Shares, <u>Class B Shares</u> and common shares is as follows. The payment priority of <u>distribution of residual assets related to Class B Shares is the first priority</u>, distribution of residual assets related to Class A Shares is the <u>second</u> priority, and distribution of residual assets related to common shares is the <u>third</u> priority.</p> <p>3. (omitted)</p>	<p>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 <u>first</u> priority, and distribution of residual assets related to common shares is the <u>second</u> priority.</p> <p>3. (unchanged)</p>
<p><u>(Class B shares)</u> <u>Article 6 - 3</u> (omitted)</p>	<p>(deleted)</p>
<p>Article 6 - <u>4</u> through Article 6 - <u>5</u> (omitted)</p>	<p>Article 6 - <u>3</u> through Article 6 - <u>4</u> (unchanged)</p>
<p>(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.</p>	<p>(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.</p>
<p>(Chairmanship of General Meeting of Shareholders) Article 14 (1) The President shall act as chairman of the general meeting of shareholders.  (2) (omitted)</p>	<p>(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)</p>
<p>(Number of Directors) Article 18 The Company shall not have more than twenty (20) Directors.  (new)</p>	<p>(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></p>
<p>(Method of Election of Directors) Article 19 (1) Directors shall be elected by a resolution of a general meeting of shareholders.</p>	<p>(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></p>

(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.

(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)

(2) through (3) (unchanged)

(Representative Directors and Directors with specific titles)

Article 20

- (1) The Board of Directors shall, by resolution, appoint Representative Directors from among the Directors (excluding Directors who are Audit and Supervisory Committee members).
- (2) The Board of Directors may, by resolution, appoint a Chairman, a President, and other Directors with specific titles from among the Directors (excluding Directors who are Audit and Supervisory Committee members).

(Term of Office of Directors)

Article 21

- (1) The term of office of Directors (excluding 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 one (1) year after their appointment.

- (2) 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.

- (3) The term of office of a Director (excluding Directors who are Audit and Supervisory Committee members) 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) 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



(Notice of 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 and Corporate Auditor 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 and Corporate Auditors approve, a meeting of the Board of Directors may be convened without following the procedure for convocation.

(new)

(Method of Resolution by the Board of Directors)

Article 23

- (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; provided, however, that if a Corporate Auditor objects to the resolution, the foregoing shall not apply.

(Remuneration, etc. for Directors)

Article 24

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.

expires.

(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.

(Delegation of Decisions of the Execution of Important Operations)

Article 23

The Company may, by a resolution of the Board of Directors, delegate 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.

(Method of Resolution by the Board of Directors)

Article 24

- (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 25

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; provided, however, that Remuneration, etc. of the Directors who are Audit and Supervisory

	<u>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>
	<u>Article 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 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.</u>
(new)	<u>(Regulations of the Audit and Supervisory Committee)</u>
	<u>Article 30 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.</u>

<p>Article <u>36</u> through Article <u>37</u> (omitted)</p>	<p>Article <u>31</u> through Article <u>32</u> (unchanged)</p>
<p>(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>.</p>	<p>(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>.</p>
<p>Article <u>39</u> (omitted)</p>	<p>Article <u>34</u> (unchanged)</p>
<p>(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.</p>	<p>(Distribution of Surplus, etc.) Article <u>35</u> (1) (unchanged)</p>
<p>(new)</p>	<p>(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></p>
<p>(new)</p>	<p>(3) <u>The record dates for distribution of surplus provided for in the preceding paragraph are as stated in the following Items.</u>  1. <u>March 31 of every year</u>  2. <u>September 30 of every year</u>  3. <u>Day separately determined by the Company</u></p>
<p>Article <u>41</u> through Article <u>42</u> (omitted)</p>	<p>Articles <u>36</u> through Article <u>37</u> (unchanged)</p>
<p>(new)</p>	<p><u>Supplementary Provisions</u>  <u>(Effective Date of Partial Amendments to the Articles of Incorporation)</u>  <u>The change of Article 6 (Total Number of Authorized Shares) and Article 8 (Number of Shares in a Unit (<i>Tangen</i>) of Shares) shall come into effect on October 1, 2017, except for the deletion of the total number of authorized shares of Class B shares in Article 6. These Supplementary Provisions shall be deleted upon the elapse of such effective date.</u></p>
<p>(new)</p>	<p><u>(Transitional Measures Concerning Exemption of Corporate Auditors from Liabilities, Etc.)</u>  <u>The exemption of Corporate Auditors (including persons who were Corporate Auditors) from liabilities concerning acts in Article 423, Paragraph</u></p>

1 of the Companies Act and limited liability agreements that have been concluded with Corporate Auditors prior to the close of the 123rd General Meeting of Shareholders shall apply as provided for in Article 35, Paragraph 1 and Paragraph 2 of the Articles of Incorporation before the amendment accompanying the close of such General Meeting of Shareholders.