

Sharp's Announcement on Acquisition and Retirement of Class A Shares—No Change in the Positive Rating Outlook

The following is Japan Credit Rating Agency, Ltd. (JCR)'s opinion on Sharp Corporation (security code: 6753)'s decisions on acquisition of its own shares (Class A shares) and retirement of them.

- (1) Sharp Corporation (the "Company") announced on June 11 that it would acquire and retire the Class A shares held by its main 2 banks on June 21. The Company acquired and retired these Class A shares on January 30, 2019. Through the acquisition and retirement this time, it will acquire and retire all of the Class A shares allocated to the 2 main banks. The acquisition price will be 97 billion yen, and the Company will use its own funds for the acquisition.
- (2) JCR has already incorporated the Company's intention to early acquire and retire the Class A shares using its own funds into the rating and rating outlook. Thus, these decisions will have no impact on the Company's rating and rating outlook. There is a put option attached to the Class A shares with cash as consideration, and it has been assumed that there would be a burden due to the cash consideration redemption. JCR sees that the Company's financial structure in terms of quality of capital will improve.

Hiroyuki Chikusa, Hiroaki Sekiguchi

<Reference>

Issuer: Sharp Corporation

Long-term Issuer Rating: BB

Outlook: Positive

Japan Credit Rating Agency, Ltd.

Jiji Press Building, 5-15-8 Ginza, Chuo-ku, Tokyo 104-0061, Japan
Tel. +81 3 3544 7013, Fax. +81 3 3544 7026

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