

[Translation based on material released on Tokyo Stock Exchange – Official version in Japanese only]

April 23, 2025

To Whom It May Concern

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**Notice Regarding an Absorption-Type Merger of a Wholly-Owned Subsidiary
(Simplified Merger and Short Form Merger) and Waiver of Claims**

Sharp Corporation (hereinafter “Sharp”) hereby announces its decision to carry out an absorption-type merger of its wholly-owned subsidiary, AIoT Cloud Inc. (hereinafter “AIoT Cloud”) (hereinafter “Merger”) with the effective date of July 1, 2025 and entered into a merger agreement with AIoT Cloud today.

Certain disclosure items and details have been omitted as it is an absorption-type merger between Sharp and its wholly owned subsidiary.

1. Purpose of the Merger

AIoT Cloud mainly engages in the recurring businesses driven by cloud services and data utilization. By this Merger, Sharp aims to accelerate the revenue growth in those businesses through the effective use of its management resources, as well as to expand the solution business of its Smart Workplace Business Group by leveraging the development talent and customer base of AIoT Cloud.

2. Summary of the Merger

(1) Schedule of the Merger

Conclusion date of the merger agreement	April 23, 2025
Scheduled implementation date (effective date)	July 1, 2025 (plan)

Note: The Merger falls under a simplified merger for Sharp as provided in Article 796, paragraph 2 of the Companies Act and a short form merger for AIoT Cloud as provided in Article 784, paragraph 1 of the same act; therefore, Sharp and AIoT Cloud plan to execute the Merger without holding a general meeting of shareholders for a resolution in relation to the merger agreement.

(2) Merger method

Since this is an absorption type merger with Sharp as a surviving company, AIoT Cloud will be dissolved through the Merger. Currently, AIoT Cloud is in a state of negative net worth; however, prior to this Merger, Sharp plans to resolve the issue by waiving a part of the claims it holds against AIoT Cloud.

Details of the claims to be waived	Short-term loans receivable
Amount of the claims to be waived	Up to 1,450 million yen
Implementation date	June 30, 2025 (plan)

(3) Content of allocation pertaining to the Merger

Since the Merger will be an absorption-type merger between Sharp and its wholly owned subsidiary, there will be no issuance of new share or no delivery of monetary consideration, etc.

(4) Treatment of stock acquisition rights and bonds with stock acquisition rights of the dissolved company

There are no applicable items.

3. Outline of the companies involved in the Merger (as of March 31, 2024)

	Surviving Company	Dissolved Company
(1) Company Name	Sharp Corporation	AIoT Cloud Inc.
(2) Location	1 Takumi-cho, Sakai-ku, Sakai, Osaka, Japan	NBF Toyosu Garden Front Building, 5-6-15 Toyosu, Koto-ku, Tokyo 135-0061, Japan
(3) Job title and name of Representative	Representative President CEO Masahiro Okitsu	Representative President Yu Matsumoto
(4) Business Activities	Mainly manufacturing and sales of telecommunications equipment, electric and electronic application equipment, and electronic components.	Development and operation of cloud service solutions and data sales, etc.
(5) Share Capital	5,000,000,000 yen	30,000,000 yen
(6) Establishment	May 2, 1935	August 7, 2018
(7) Number of shares Issued	650,406,538 shares	1,200 shares
(8) Fiscal Year-End	March 31	March 31
(9) Major Shareholder and Shareholding Ratio	Hon Hai Precision Industry Co., Ltd. 22.32% SIO International Holdings Limited 13.23% Foxconn (Far East) Limited 11.81% Foxconn Technology Pte. Ltd. 9.96%	Sharp Corporation 100%

(10) Consolidated operating results and financial condition of the company in the previous fiscal year		
Fiscal Year	Ended March 2024 (consolidated)	Ended March 2024 (non-consolidated)
Net assets	157,424million yen	(494) million yen
Total assets	1,590,032 million yen	666 million yen
Net assets per share	219.35 yen	(411,875.92) yen
Net sales	2,321,921 million yen	872 million yen
Operating profit	(20,343) million yen	(895) million yen
Ordinary profit	(7,084) million yen	(1,103) million yen
Profit Attributable to Owners of Parent	(149,980) million yen	(1,061) million yen
Income per Share	(230.99) yen	(884,021.49) yen

4. Status after the Merger

There will be no change in the name, location, name and title of the representative, details of business, capital, and fiscal year end of Sharp, the surviving company.

5. Future Prospects

The impact of the Merger on Sharp's consolidated results will be minor as it is a merger with a wholly-owned subsidiary.

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