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Governor's Office

SHARP

SHARP CORPORATION

Integrated Circuits Group
2613-1, Ichinomoto-cho, Tenri-shi
Nara, 632, Japan
Telex: 5522364 SHAPELJ



The Honorable Victor Atiyeh
Governor of Oregon
State Capitol
Salem, OR 97310
U.S.A.

August 4, 1986

Dear Governor Atiyeh:

Thank you for your most respectful letter of July 18, 1986. I was deeply moved to receive such a kind message directly from you.


On behalf of Sharp management, let me assure you that the cancellation was certainly not based on any adverse perception in the Pacific Northwest. Conversely, we still firmly believe that we made a right decision in choosing the region as home for the Joint Venture.

As has been widely reported, it was Sharp's strong desire to proceed with the project as was originally contemplated. Due to difference in IC business strategy between Sharp and GE, Sharp was compelled to make a regretful decision not to go forward with the plan since we considered it impossible to press forward on our own without a reliable American partner.

Sharp's semiconductor U.S. expansion plan has been thus pushed back to the planning board. We are certain that we will have another chance in the future. In such a case, we will certainly give the Pacific Northwest Region a most favorable consideration.

I also hope that we will have a chance to see each other in the near future.

Very truly yours,


A. Asada
Senior Executive Director &
Group General Manager of
IC Group, Sharp Corporation