Sharp cuts outlook as TV sales slide

Sharp Corp cut its full-year operating profit forecast by 12 percent, hit by sliding domestic television sales but the cut was not as bad as the market had feared.

Sharp cut its annual liquid-crystal display (LCD) television sales forecast to 13.5 million units from 15 million units and also trimmed its outlook for solar cell sales.

The company posted a 44 percent rise in July-September operating profit to 30.1 billion yen.

But the electronics firm cut its operating profit forecast for the full year to March 2012 to 85 billion yen from 97 billion yen, compared with market expectations of a 71 billion yen profit, based on the average estimate by 22 analysts polled by Thomson Reuters I/B/E/S.

That compares with a 78.9 billion yen operating profit for the year to March 2011.

As part of a strategy aimed at tapping the booming tablet and smartphone market, Sharp said in June it would switch most production at its Kameyama liquid-crystal display (LCD) panel plant in western Japan to smaller panels used in popular devices such as Apple's iPad.

But analysts have said the company may be forced to halt production at its state-of-the-art 10th generation LCD panel plant at Sakai, as inventory piles up due to weaker-than-expected demand for large televisions.

Sharp's shares have fallen about 17 percent since April 1 in a broader market down 10 percent. Sharp's shares ended up 3.7 percent at 694 yen on Thursday, ahead of the results announcement.

(Reporting by Isabel Reynolds; Editing by Edwina Gibbs)

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