

Moody's downgrades troubled Sharp's ratings

The Associated Press

Moody's Investors Service has downgraded Sharp's short-term ratings to the lowest "Not Prime" category, citing the Japanese electronics maker's debts and price drops in its main product, liquid-crystal displays.

Sharp Corp. is struggling, losing 138 billion yen (\$1.8 billion) in the latest quarter through June, and is wooing investment from Hon Hai Group of Taiwan.

Moody's said Wednesday the possible capital injection could shrink because Sharp stock has plunged recently.

Moody's said other measures in the works, such as job cuts, reducing inventory and selling assets, will take time.

As of June, Sharp has racked up 700 billion yen (\$9 billion) in short-term debt, according to the U.S. ratings service.

It said earnings from panels and TVs are expected to be weak, making a near-term upgrade unlikely.

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