Sharp expected to return to black on operating basis

The Associated Press

OSAKA, Jan. 26 (Kyodo) — Struggling Sharp Corp. is expected to have returned to the black on an operating balance in the October to December period for the first time in five quarters, due to a weaker yen and growing sales of its advanced liquid crystal panels, sources close to the matter said Friday.

The electronics maker anticipates a consolidated operating profit of around 4 billion to 5 billion yen for the three-month period, compared with an earlier-projected loss of around 6 billion to 7 billion yen. For the second half of the current fiscal year ending in March, the company is expected to post an operating profit of roughly 20 billion yen, the sources said.

The recent trend of a weaker yen as well as growing sales of smartphones equipped with Sharp's advanced "Igzo" power-saving LCDs helped boost the company's earnings, they said.

The expected improvement in earnings will likely encourage the company's main creditor banks to continue providing financial support to Sharp, which posted a consolidated operating loss of 168.90 billion yen for the first half of the current fiscal year.

Although demand for the Igzo LCD for smartphones including Apple Inc.'s iPhone is expected to drop down the road, the weaker yen and Sharp's restructuring efforts will likely continue to support its earnings for the January to March period, the sources added.

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