

Sharp in talks with Lenovo on LCD TV business tie-up

The Associated Press

OSAKA, Jan. 17 (Kyodo) — Struggling electronics maker Sharp Corp. is in talks with Lenovo Group Ltd. of China to form an alliance in the liquid crystal display television business, sources close to the matter said Thursday.

In the envisioned business tie-up, Sharp is aiming to sell its LCD TV assembly plant in Nanjing to Lenovo and cooperate in development and sales of TVs in China, the sources said.

The two companies are expected to sign a memorandum as early as this month, the sources said. The move comes as Sharp aims to utilize Lenovo's sales network in China, while Lenovo seeks to fully launch its TV business.

Under the plan, Sharp will sell all its shares in its local subsidiary making TVs to Lenovo by the end of this year. The Osaka-based company is also apparently considering accepting investments from Lenovo in another local unit engaged in development and sales to make it a joint venture.

LCD panels for TVs are likely to be supplied from Sharp's plants in Kameyama, Mie Prefecture and Sakai, Osaka Prefecture, which would lead to an improvement in operation rates at those plants.

Sharp is also negotiating with Taiwanese electronics manufacturing service provider Wistron Corp. to sell its Malaysian TV assembly plant, while it is in talks with Taiwanese business partner Hon Hai Precision Industry Co. to sell its Mexican TV assembly plant.

If Sharp succeeds in selling the three assembly plants, it is expected to secure around 40 billion yen and slash more than 5,000 employees in the group to improve its financial standing.

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