

Sony, Toshiba and Hitachi sign joint venture deal

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Customers check a tablet PC in a store in Tokyo, April 2011. Sony, Toshiba and Hitachi on Tuesday said they had signed a deal to merge their small and medium-sized liquid crystal display businesses for smartphones and tablet computers.

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The move will create a new company, Japan Display, by Spring 2012.

The company will be partly financed by the Innovation Network Corporation of Japan, a private-public [investment fund](#) established in 2009 to support next-generation businesses.

Sony, Toshiba and Hitachi announced the plan in August.

Also on Tuesday, Panasonic said it has agreed in principle with INCJ to transfer its Mobara LCD panel plant in Chiba to Japan Display.

Panasonic recently announced a major restructuring of its liquid crystal display manufacturing division. Japan Display plans to develop a new small- and medium-sized display manufacturing line at the Mobara plant, according to Panasonic.

Analysts said Japan Display would dominate the market, surpassing leader Sharp as well as rivals such as South Korea's Samsung and Taiwan's Chimei Innolux.

The new venture will be 70 percent owned by INCJ and 10 percent each by the three companies, with INCJ investing a total of 200 billion yen (\$2.6 billion) in Japan Display in exchange for shares to be newly issued to the body.

Sony, Toshiba and Hitachi will transfer to the new company all outstanding shares issued by their subsidiaries engaged in the small- and medium-sized display businesses.

Japanese firms are looking to better compete against rivals in high resolution [display technology](#) as demand intensifies for smartphones, [tablet computers](#) and other gadgets, and as a strong yen erodes their competitive edge.

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