

Sony, Samsung dissolve panel joint venture

December 26 2011, By YURI KAGEYAMA , AP Business Writer



File photo shows the headquarters of Japanese electronics giant Sony in Tokyo in 2009. Sony has agreed to sell its stake in a joint liquid crystal display panel venture in South Korea to its partner Samsung Electronics, the two companies said Monday.

Japan's Sony and South Korean rival Samsung are dissolving their joint venture in liquid crystal display panels as Sony tries to stanch years of losses in its TV business.

Sony Corp. said Monday that [Samsung Electronics](#) Co. will buy all of Sony's shares in the joint venture for about 1.08 trillion Korean won (\$935 million) subject to a final agreement.

The joint venture called S-LCD was set up in 2004. Sony, which fell behind in [flat panel TVs](#), invested in a Samsung panel factory to ensure a steady supply of panels for its [LCD TVs](#).

Sony's TV operation has lost money for seven straight years and the company is straining to return that key business to profit.

The prices of TVs as well as panels have been dropping so it makes more sense to buy panels at the market rate than to invest in production.

Sony, which makes Bravia TV sets, does not make its own LCD panels.

It said it will enter a new partnership with Samsung to buy panels, and will also continue buying panels from other manufacturers.

Sony said it will suffer a loss of 66 billion yen (\$846 million) for the third quarter of this fiscal year, which ends later this month, because of the declining value of investment in S-LCD.

Getting out the production venture will produce substantial savings after January 2012, when the deal is completed, according to Sony.

It was still unclear how Sony's profit forecast for the fiscal year through March 2012 will be affected, said company spokesman Takashi Uehara.

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