

Sharp confesses 'material doubt' about its survival chances

November 2 2012, by Tiffany Hsu

Sharp Corp., once a titan among Japanese electronics manufacturers, now isn't sure it will be able to crawl out of a financial pit made deeper by ruthless competition and relentless losses.

Reporting yet another round of dismal earnings, the maker of [LCD televisions](#) and other products expressed "material doubt" about its future due to its difficult business circumstances.

The Tokyo company nearly doubled its original forecast for full-year losses, saying it now expects to lose 450 billion yen, or \$5.6 billion, instead of the 250 billion yen it had predicted earlier. In its last fiscal year, which ended March 31, Sharp lost 376 billion yen (\$4.7 billion).

In the first half of the year, which ended Sept. 30, Sharp said it has already lost 387.6 billion yen (\$4.8 billion), compared to a 39.8 billion yen loss (\$496 million) during the same period a year earlier. The company's revenue plunged 16 percent to 1.1 trillion yen (\$13.7 billion).

Sharp also reported an 84.4 billion yen (\$1.1 billion) restructuring charge. In the span of a year, Sharp's stock has tumbled more than 75 percent on the Tokyo Stock Exchange.

Even fellow Japanese technology behemoths such as Sony and Panasonic reported sour earnings this week, all slammed by sinking prices for their products. Sharp said it would try to boost sales of LCD televisions and smartphones but added that it "is pushing ahead with drastic business

restructuring."

That includes asking for voluntary [buyouts](#), cutting salaries, slashing thousands of jobs and trimming capital investments to try to boost its cash flow.

Sharp has also mortgaged the building that houses its headquarters and is negotiating a "hail Mary" investment from Taiwanese manufacturing firm Hon Hai Precision Industry Co. Hon Hai controls Foxconn, which helps make Apple products such as the [iPhone](#).

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