

# Sharp shares soar in Tokyo on profit report

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Sharp shares jumped nearly 13 percent in Tokyo trading on Friday after a Japanese media report said the embattled electronics giant logged an operating profit in the last quarter of 2012.

Investors pounced on the mass-circulation Mainichi newspaper story, pushing Sharp's stock up 12.62 percent to 330 yen by the close, even after the struggling firm itself had previously raised doubts about its survival.

Like rivals Sony and Panasonic, Sharp has suffered a series of credit rating downgrades and warned it expects to lose about \$5.6 billion in the fiscal year to March.

The company saw a quarterly [operating profit](#) of about 20 billion yen (\$225 million), its first since the July-September quarter of 2011, the report said without citing sources.

The Mainichi did not say if Sharp would also report a [net profit](#) in the three months to December and the company denied the report, saying only that it would release [quarterly earnings](#) next month.

Sharp President Takashi Okuda told Japanese media earlier this week that sales have seen a year-on-year increase since September, without elaborating.

The Mainichi said the improved figures were largely due to a pick-up in demand for [household appliances](#) and liquid crystal display televisions, a

sector where Sharp and other [Japanese electronics](#) firms have suffered in the face of stiff overseas competition and a surging yen.

But the Japanese unit has weakened in recent months, helping to make exporters more competitive, while cash-strapped Sharp "cleared a major hurdle" by securing [bank loans](#) to stay afloat, it said.

The maker of Aquos-brand electronics is chopping thousands of jobs and cutting wages as part of a substantial restructure.

It also said it would put up real estate as collateral for desperately needed bank loans, including the century-old firm's Osaka headquarters, as it pursued tie-ups with domestic and foreign firms.

In December, Sharp said it had struck a 9.9 billion yen capital injection deal with chipmaker Qualcomm that would see the pair develop energy-efficient LCD panels for smartphones using the Japanese firm's technology.

The US company would initially get about 2.64 percent of Sharp's stock.

Last year, Sharp said it had reached an \$800 million capital injection deal with Taiwan's Hon Hai Precision, which makes Apple gadgets in China, but the deal stalled as Sharp's share price nosedived.

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