

# Sharp to suspend tie-up talks with Hon Hai, report says

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Struggling Japanese electronics maker Sharp plans to suspend tie-up negotiations with Taiwan's Hon Hai and search for new capital partners, local media reported on Saturday.

Cash-strapped Sharp had been trying to seal a capital-injection deal with Hon Hai Precision, also known as Foxconn, by a March 26 deadline.

But Sharp said it would be "difficult to conclude the deal by the deadline due to various factors, including different opinions on cooperation in the field of small- and mid-sized LCDs", the Mainichi Shimbun said.

The recent decline in Sharp's share value was another factor behind the suspension, the daily added.

It was not known if the suspension was permanent but Sharp would now shift its focus to other companies, the newspaper said.

Kyodo News added that the two firms would maintain their existing cooperation arrangement at Sharp's LCD factory in Sakai, western Japan.

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

In December, the company said it had struck a separate \$112 million

[deal](#) with chipmaker Qualcomm that would see the pair develop energy-efficient [LCD panels](#) for smartphones using the Japanese firm's technology.

The maker of Aquos-brand electronics, like rivals Sony and Panasonic, has been hammered by credit rating downgrades and record losses, which saw the century-old firm warn about its own survival last year.

Sharp said earlier in the month that it had lost 424 billion yen (\$4.5 billion) for the nine-month period, while keeping its full-year net loss estimate unchanged at 450 billion yen.

[Sharp](#) has embarked on a painful restructuring including thousands of job cuts and slashed wages from the factory floor to the [boardroom](#).

It also said it would put up real estate as collateral for desperately needed [bank loans](#), including its Osaka headquarters, as it pursued tie-ups with domestic and foreign firms.

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