

# Foxconn agrees to buy Japan's Sharp Corp. at reduced price

March 30 2016, by Johnson Lai

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Foxconn, or also known as Hon Hai Precision Industry, spokesman Simon Hsing announces the approval of the purchase of a controlling stake in Japan's Sharp Corp. during a press conference at the Taiwan Stock Exchange Corp. in Taipei, Taiwan, Wednesday, March 30, 2016. Taiwanese electronics giant Foxconn said it has agreed to buy a controlling stake in Sharp Corp. for \$2.6 billion following weeks of uncertainty over what the Japanese company said was a previous agreement at a higher price. (AP Photo)

The Taiwanese company that assembles Apple's iPhones agreed Wednesday to buy control of financially struggling Sharp Corp. for \$3.5 billion in the first takeover of a major Japanese electronics producer by a foreign company.

The agreement by Foxconn followed weeks of uncertainty over what Sharp had said was a deal at a higher price.

Foxconn, also known as Hon Hai Precision Industry Co., said it would buy 66 percent of Osaka-based Sharp.

The price of 389 billion yen was a reduction of 100 billion yen, or about 20 percent, from the 489 [billion yen](#) (\$4.4 billion) which Sharp said on Feb. 25 that Foxconn had agreed to pay. The Taiwanese [company](#) said at the time it wasn't ready to sign a deal.

The companies gave no reason for the change but [news reports](#) suggested Foxconn was concerned about taking on additional liabilities it learned about late in the negotiations.

"We are glad both sides could reach such a decision to forge an alliance to boost innovation," Tai Jeng-wu, a member of Foxconn's board of directors, said during a brief appearance before reporters at the Taipei stock exchange.

Asked what Foxconn's strategy would be to help Sharp recover from losses, Tai said Foxconn's plans called for the Japanese company to "upgrade its technology," but he gave no details.



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Foxconn said a final agreement is due to be signed Saturday.

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