

Foxconn to Buy Sharp?

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According to both the Wall Street Journal and Bloomberg Foxconn is bidding around \$5.3 billion for struggling Japanese electronics maker Sharp, with a decision to take place by end January 2016.



Such an acquisition would be the biggest for the Taiwanese contract manufacturer since the 2009 \$5.3 billion takeover of Innolux, the Chi Mei Optoelectronics display-making unit. Foxconn already offered to invest in Sharp back in 2012, but the two companies failed to agree on management control, leading Sharp to turn to government-backed Innovation Network Corp of Japan (INCJ) for funding.

The WSJ mentions INCJ is bidding around \$2.6bn for Sharp, half the Foxconn offer. The Japanese government is understandably keen to keep Sharp in Japanese hands, but Foxconn has a considerable ace up its sleeve-- its offer includes the absorbing of all Sharp debts. Bloomberg calculates Sharp debts total around \$6.8bn, and the Osaka-based company faces growing losses (2015 losses alone total \$1.9bn) in the faces of S. Korean and Chinese competition.

On the other Foxconn profits total \$1.1bn for the last fiscal quarter alone.

Go [Taiwan's Foxconn Offers \\$5.3bn to Take Over Sharp \(WSJ\)](#)

Go [Foxconn Said to Offer About \\$5.1bn for Japan's Sharp \(Bloomberg\)](#)