

## Foxconn to Buy Sharp... Or Will it?

Written by Marco Attard  
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Sharp confirmed [earlier reports](#) with the announcement it is being bought out by Foxconn-- but hardly a day passed before the Taiwanese giant announced it is delaying the acquisition until it assesses the financial risks involved in buying the ailing Japanese firm.



The Sharp takeover is worth around \$6.24 billion (or ¥700bn), and is the first (and largest) acquisition of a major Japanese company by a foreign entity. Reportedly Foxconn has been chasing after Sharp for 5 years, since owning the Japanese company provides technological leverage against the likes of Samsung, not to mention access to lucrative Apple display contracts.

Perhaps understandably, Japanese officials were unwilling to give up Sharp to *gaijin* owners. In fact, Foxconn was considered as the underdog to bidder behind the government-backed Innovation Network Corp of Japan (INCJ), but the manufacturer formerly known as Hon Hai is clearly willing to cough up the required premiums to win over the Sharp board... or is it?

After all, as mentioned earlier the deal comes with complications-- 100 of them in fact, making a list of "contingent liabilities" worth ¥350 billion. As a result, the Wall Street Journal reports, Foxconn is putting the acquisition "on hold" until it reviews the Sharp's future financial risks.

"We already notified Sharp on the same day [before Sharp held its board meeting on Thursday] that our side had to clarify the contents," a Foxconn statement reads. "We have to postpone the signing before both sides can reach an agreement. We hope to clarify it quickly and to bring this deal to a successful conclusion."

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So, will the venerable 103-year old Japanese company go to Taiwanese hands? Foxconn hopes to iron out the issues sooner, rather than later, and the deal does represent the kind of foreign investment Japanese Prime Minister Shinzo Abe has been pushing for in the past few years. However, as it stands we just have to wait and see.

Go [Sharp Notice of Foxconn Takeover](#)

Go [Foxconn's Deal for Sharp Now in Question \(WSJ\)](#)