Sony, Sharp form LCD joint venture to produce 10th gen panels

Production to begin in FY2009

By Dennis P. Barker

Sharp Corporation and Sony Corporation have announced that they signed a non-binding memorandum of intent to establish a joint venture to produce and sell large sized LCD panels and modules, by splitting out from Sharp an LCD panel plant now under construction in Sakai City, Osaka Prefecture which will use 10th generation mother glass substrates. Certain information concerning the joint venture is outlined below, and the two companies will negotiate in good faith to enter into legally binding joint venture documentation by September 30, 2008.

The parties will aim through this collaboration to further strengthen Sharp's advanced LCD display technologies and Sony's competitiveness in the TV market.

Once the joint venture agreement is entered into and becomes effective, and subject to receipt of necessary government approvals, the new joint venture will seek to maximize the advantages gained from using the world's first 10th generation glass substrates to produce large sized LCD panels and modules that deliver the industry's highest levels of quality, cost and performance. These will then be supplied to Sharp and Sony in quantities corresponding to their respective investments. Sharp and Sony will also discuss and study the possibility to jointly develop components for LCD modules to further reinforce their mutual cooperation.

The new company will endeavor to rapidly establish full and stable manufacturing operations at a new state of the art facility producing large sized LCD panels, and, in coordination with other companies concerned, will realize the vision of "Manufacturing Complex for the 21st Century".

New Company Overview

Company name: To be determined

Location: Sakaihama District, Sakai-ku, Sakai City, Osaka Prefecture

Date of Establishment: Scheduled for April, 2009 (pending further discussion)

Start of Operations: By the end of FY 2009 (planned)

Capital: To be determined (Sharp: 66%, Sony:34%)

Total Investment: To be determined (Sharp: 66%, Sony:34%)

Operations: Production of large sized LCD panels/modules (for LCD TVs) for sale to Sharp and Sony

Production Capacity: 72,000 substrates per month (initially 36,000 substrates panels/month) (Mother Glass Substrate input basis)