Sharp Showcases New LCD Plant, 'Mother Glass'

SAKAI, Japan (AP) — Huge sheets of glass are guided by robotic arms, sliding and turning in a towering germ-free plant, the world's first making giant "10th generation" panels for flat screen TVs.

Japanese electronics maker Sharp Corp.'s futuristic-looking plant doesn't have a single worker on the floor. Each sheet, measuring about 3 meters (3.3 yards) by 3 meters, is being made and tested by computerized machines.

Reporters were allowed a tour Monday of the liquid crystal display plant, which began running last month, in this city near Osaka, west of Tokyo. No photography was allowed, and visitors had to pass a temperature-check at the gate and could look inside only through selected windows.

Each sheet is later cut into smaller sizes for panels for TVs. A 10th generation "mother glass" is big enough to produce 18 40-inch panels. Each generation of panels is defined by the step-up in size.

The sheer size of each sheet, or substrate, makes the plant more efficient for churning out bigger TVs than previous plants. Smaller TVs are still popular, but bigger TVs produce bigger profits.

Osaka-based Sharp is ahead of rivals — at least in size. Samsung Electronics Co. of South Korea, the global leader in LCD TVs, makes 8th generation sheets and is considering investing in plants for bigger sheets.

Sharp Executive Officer Taimi Oketani said the plant is best suited for TVs that are 60 inches or 65 inches, and it was still unclear whether the world would start demanding even bigger TVs requiring even bigger mother glass.

"This is the world's first, and we were venturing into something no one had experienced," he said.

To better manage production of large panels, Sharp took a new approach in bringing together 19 suppliers, utilities and other partner companies to Sakai site — reclaimed land that can fit 28 baseball stadiums — so that chemicals and other materials can be shipped in more easily.

The plant now makes 36,000 substrates a month. By October next year, it will be running at full capacity, producing 72,000 substrates a month, ahead of the year-end shopping season, Executive Vice President Toshishige Hamano said.

The plant was also designed to be greener than previous plants, and together with a nearby plant that makes solar panels, conserves nearly 1.4 million tons of carbon

dioxide emissions a year, or the equivalent of the emissions of 3.5 million households, he said.

With its new plant, Sharp is hoping to grow even stronger as a panel manufacturer — selling displays to rivals, not just making TVs to sell under its Aquos brand.

That's a difference that gives Sharp an edge over Japanese rival Sony Corp., which has fallen behind in flat-panel TVs and must buy displays from Samsung and Sharp.

In contrast to Sony, which has lost money at its TV operations for five fiscal years straight, Sharp has credited booming TV sales in doubling fiscal second quarter profit from the previous year to 7.4 billion yen ($86 million).

Sharp sank into the red over the previous three quarters, but is forecasting a 3 billion yen ($35 million) profit for the full year through March 2010.

Still, Sharp lags behind Samsung, Sony and Panasonic Corp. in the rankings of TV brands by global sales share, according to Display Search, a U.S. company that compiles such data.

Sharp is hoping to boost sales of its displays to other manufacturers to 50 percent of the panels that it makes from the current 20 percent to 30 percent. It uses the rest of the panels for its own TVs.

"To be able to sell panels is an advantage for Sharp in producing a profit, compared to Sony. Sharp has a definite edge," said Koya Tabata, electronics analyst at Credit Suisse in Tokyo.

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