

Toshiba expects bigger loss, contract job cuts

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(AP) -- Toshiba Corp., Japan's top chipmaker, Friday said its net loss for the last fiscal year will be bigger than forecast due to a large write-off, and warned that more contract jobs will be cut.

The company will cut 3,900 contract workers in Japan by March of next year, according to spokeswoman Hiroko Mochida. That is in addition to the 4,500 Japanese contract workers it previously said would be cut by last month.

Toshiba now estimates the net loss for the year to March 2009 at 350 billion yen (\$3.5 billion), sharply up from 280 billion yen forecast earlier and its biggest loss ever. It would also mark Toshiba's first annual net loss in seven years.

The wider [net loss](#) was due to a write-off of 85 billion yen in deferred tax assets.

But the electronics maker said its operating loss would be a smaller-than-expected 250 billion yen, thanks to the stabilization of prices of flash memory chips used for music players and digital cameras.

Hit by a plunge in demand amid the global economic slump, Toshiba said in January it would cut 4,500 contract workers and delay or cancel investments in new chip plants.

In March, [Toshiba](#) picked a new president, Norio Sasaki, 59, who will take the helm in June following approval at a meeting of shareholders.

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