

Toshiba to stop making mobile phones in Japan

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(AP) -- Japan's top chipmaker Toshiba Corp. said Wednesday it will end production of mobile phones in Japan due to plummeting demand amid an economic slump.

The company said its only domestic plant for mobile phones will halt operations in October. Toshiba's revenue for mobile phone business nearly halved to 140 billion yen (\$1.5 billion) in the fiscal year ended March 2009.

"Consumers are reluctant to buy new mobile phone handsets amid an [economic downturn](#). The Japanese [mobile phone market](#) was really hit hard by the ongoing [economic slump](#)," Toshiba spokeswoman Yuko Sugahara said.

Toshiba's global shipments of mobile phones plunged to 3 million units in the last fiscal year from 6 million units the previous year. Toshiba said most of its cell phones were sold in Japan.

The company said it will continue to make cell phones at its plant in the eastern Chinese city of Hangzhou. It will also outsource its mobile phone production, but declined to give further details.

Toshiba said the move to end Japanese mobile phone production will not result in job losses as workers will be assigned to different jobs.

Hit by sinking global demand, Toshiba's net loss swelled to a record

343.6 billion yen for the fiscal year to March, compared with a [net profit](#) of 127.4 billion yen in the previous year.

It was Toshiba's biggest loss ever and its first annual net loss in seven years.

Toshiba's annual sales dropped 13 percent to 6.65 trillion yen due to faltering business in semiconductors as well as digital equipment and home electronics.

Toshiba said its [mobile phone](#) business only accounts for 3 percent of its total operations.

Shares of [Toshiba](#) fell 1.9 percent Wednesday to close at 355 yen.

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