

Japan's Toshiba still in red

July 29 2009, by Harumi Ozawa



A Toshiba billboard in Tokyo. The Japanese high-tech giant announced a net loss of 610 million dollars for the fiscal first quarter to June amid weak sales of televisions and other electronics

Japanese high-tech giant Toshiba said Wednesday it had lost more than 600 million dollars in the fiscal first quarter as the economic downturn hit sales of televisions and other electronics.

Toshiba, whose businesses span nuclear power plants and memory chips for iPods, posted a net loss of 57.8 billion yen (610 million dollars) for the three months to June, against a year-earlier loss of 11.6 billion yen.

The group, which owns US nuclear plant maker Westinghouse,

maintained its forecast that it would end the full financial year to March 50 billion yen in the red, after a record shortfall of 343.6 billion yen last year.

But the company noted that its operating loss of 37.6 billion yen, while bigger than a year earlier, was not as bad as the previous quarter.

"The performance in operating profits in digital products and electronics devices improved greatly compared with the previous quarter," said [Toshiba](#) vice president Fumio Muraoka.

Toshiba sees some rays of hope in the industry but is still maintaining its cautious outlook, Muraoka said.

"We still need to see how much consumption will recover in the second half of the year," Muraoka told reporters. "We have a clearer outlook for the July-September term but no later than that."

The company aims to return to the black at the operating profit level in the full financial year to March with earnings of 100 billion yen, on revenue of 6.8 trillion yen.

Lower prices of semiconductors as well as those of personal computers and [liquid crystal displays](#) weighed heavily on profits in the first quarter.

Toshiba, the world's second-largest producer of NAND flash memory chips after South Korea's Samsung, has been hit by slumping demand for the semiconductors, which are used in digital music players and other gadgets.

Sales of nuclear energy systems were one relatively bright spot in Toshiba's gloomy performance, helping its social infrastructure division to log an increased [operating profit](#) of 6.6 billion yen.

Toshiba said in March it was tapping vice president Norio Sasaki, an expert in nuclear power technology, to lead it through the economic crisis, underscoring its growing commitment to the energy industry.

The group is seeking to streamline its businesses to return profits, with measures including slashing thousands of job cuts.

Toshiba said it had reduced its fixed costs by 87 billion yen in the first quarter, putting it well on target to achieve its planned reduction of 300 billion yen for the full year to March.

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