

Toshiba eyes new businesses for recovery

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Norio Sasaki, president of Japanese high-tech giant Toshiba, delivers a speech during a press conference in Tokyo. Toshiba Corp. said Wednesday it aimed to expand its energy, healthcare and environment-related businesses as it targets a strong recovery in earnings within the next three years.

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Under its new leadership, Japan's largest chipmaker signalled an increased focus on nuclear plants, solar energy systems and medical devices to offset the impact of falling semiconductor prices.

[Toshiba](#) expects social infrastructure -- which includes nuclear energy systems -- to be its most profitable division by early 2012, president Norio Sasaki told a news conference, outlining his business strategy.

"Expanding into new businesses such as health care, the environment and energy security will provide a basis for strong growth," said Sasaki, an expert in atomic power technology who took the helm of Toshiba in late June.

The group, which owns US nuclear power plant maker Westinghouse, is targeting an [operating profit](#) of 350 billion yen (3.7 billion dollars) by the business year ending March 2012, compared with a 343.6-billion-yen loss last year.

The company also plans to cut fixed costs by 330 billion yen in the current business year to March 2010 and reduce capital spending and investment in research and development in a bid to return to the black.

Facing tough competition from foreign rivals such as Samsung and [LG Electronics](#) that has sparked dramatic falls in NAND memory chip prices, Toshiba aims to expand its footholds in less volatile industries.

The company is also aiming to tailor its products more for local markets.

"Our business success model until now is proving insufficient. We need to adjust our focus on emerging markets and develop and produce products accordingly," said Sasaki.

In a step in that direction, Toshiba's LCD-making unit Toshiba Mobile Display Co. said Wednesday it would take a 20 percent stake in a joint venture with a Chinese company to harness demand for mobile phone displays.

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