

NEC, Casio, Hitachi to merge handset businesses

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(AP) -- Japanese electronics makers NEC Corp., Casio Computer Co. and Hitachi said Monday they will combine their mobile phone handset-manufacturing operations by April next year in a bid to boost their competitiveness at home and abroad.

The three companies are relatively small players in the domestic market for handsets, which is saturated and dominated by Japanese manufacturers, although imports like the [iPhone](#) have scored some success in recent years.

Under the move, NEC will join Casio and Hitachi's mobile joint venture set up in 2004.

The new business, capitalized initially at 1 billion yen (\$11 million) will be 66 percent owned by NEC, 17.34 percent by Casio and 16.66 by Hitachi. By June 2010, that will be raised to 5 billion yen (\$55 million), with NEC owning a 70.74 percent stake, Casio 20 percent and Hitachi 9.26 percent.

The three companies will share their technology and resources to lower development costs and boost their competitiveness and brands, they said.

Japanese makers have largely failed in selling handsets overseas, partly because the [mobile network](#) technology in Japan is different from U.S. and European systems. Mobile phones here also tend to be loaded with quirky features that aren't likely to be popular abroad.

NEC makes cell phones for Japanese mobile carriers [NTT Docomo](#) Inc. and Softbank Mobile Corp., while [Hitachi](#) and Casio make [handsets](#) for KDDI Corp. and Softbank.

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