

Toshiba to spend big on chips, nuclear power

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In this Jan. 28, 2010 photo, a man checks a brochure of a Toshiba product at a discount electric appliances shop in Tokyo, Japan. Toshiba Corp. returned to profit in the January-March quarter, driven by growing global demand for the flash memory chips used in devices from cameras to music players. (AP Photo/Shizuo Kambayashi)

(AP) -- Toshiba Corp. unveiled an ambitious three-year agenda Tuesday, aiming to quadruple profits and spend \$14 billion to amplify its strengths in semiconductors and nuclear power.

The Japanese conglomerate's business right now is vast, spanning [household appliances](#) and computers to health care equipment and industrial machines. But the world has changed since the global financial crisis, and so must Toshiba, said company President Norio Sasaki.

"We needed to figure out how to grow in this new paradigm," Sasaki

said, referring to the rapid rise of emerging economies and the intensifying global battle for their business.

So Toshiba will shift its focus to several key areas, investing heavily in its strongest and most promising sectors to sharpen its competitive edge.

The Tokyo-based company plans to spend 1.3 trillion yen (\$14 billion) on capital expenditures and investments through the fiscal year ending March 2013. Most of the money will go to its semiconductor-making unit and the Social Infrastructure division, which oversees [nuclear power](#) operations.

The average spending over the three years would represent a 74 percent jump from capital spending levels last fiscal year, Toshiba said. It has allocated another 1.07 trillion yen (\$11.6 billion) for research and development.

It aims to expand operating profit to 450 billion yen (\$4.9 billion) by March 2013, up from 117 billion yen last fiscal year. It hopes that overseas growth will help drive up revenue 25 percent to 8 trillion yen.

Toshiba is world's second-biggest producer of NAND-flash memory, the chips used for storage on [portable music](#) players, mobile phones and digital cameras. Demand for [flash memory](#) is expected to continue growing this year, along with sales of the gadgets that house them.

To keep up, Toshiba said in March that it will start building a new flash memory factory in Yokkaichi, central Japan this summer. It had hoped to expand capacity earlier but put those plans on hold when recession hit. The company expects to complete the new facility next spring.

The company, which owns Westinghouse Electric Co., is also bullish on nuclear energy. It expects to receive orders for 39 nuclear power plants

worldwide by 2015 and is expanding fuel supply and maintenance services.

Toshiba is also looking to strengthen its foothold in green technologies. It has won bids to build three mega-solar power plants in Japan and expects to sign one overseas contract in Bulgaria soon. It has also received orders to outfit 10,000 homes with solar power systems.

Toshiba's announcement comes four days after it reported earnings, saying it returned to profit in the January-March quarter thanks to growing demand for memory chips.

The company booked a fourth quarter net profit of 48.6 billion yen (\$531 million) on revenue of 1.85 trillion yen (\$20.2 billion). Operating profit came to 104.3 billion yen.

During the same period last year, Toshiba posted a net loss of 184 billion yen and an operating loss of 74 billion yen.

For the full fiscal year through March 2011, [Toshiba](#) expects to return completely to the black. It forecasts a net profit of 70 billion yen on 7 trillion yen in sales. It expects to sell 15 million TV sets and 25 million personal computers.

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