

Japanese chipmaker Elpida files for bankruptcy

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Japanese computer chipmaker Elpida Memory, Inc. President Yukio Sakamoto, left, bows during a press conference in Tokyo Monday, Feb. 27, 2012. Elpida filed for bankruptcy Monday after amassing debts from nose-diving prices, longtime competition from Samsung and the flooding in Thailand last year that stagnated demand. (AP Photo/Shizuo Kambayashi)

(AP) -- Computer chipmaker Elpida Memory Inc. filed for Japan's largest manufacturing bankruptcy Monday after amassing debts from nose-diving prices, competition from Samsung and flooding in Thailand last year that stifled demand.

Elpida, the only manufacturer in Japan to specialize in [DRAM chips](#) used in mobile phones and computers, reported debt of 448 billion yen (\$5.5 billion) in filing for bankruptcy at [Tokyo District Court](#) on Monday.

That was the largest ever for a bankruptcy in Japan in the manufacturing field, according to Teikoku Databank, which compiles such information.

Elpida, set up in 1999 as a joint venture between Japanese electronics companies NEC Corp. and Hitachi Ltd., has been struggling for years to close the gap with rival [Samsung Electronics Co.](#) of South Korea.

The Tokyo-based company, which employs more than 3,000 people, said its business was hit when DRAM prices declined from about 2007, and got worse with the global downturn.

The surging yen also came as a blow as well as intense competition, it said.

Elpida said the flooding in Thailand last year battered DRAM demand, furthering hurting its operations. Global hard-drive production was disrupted by the floods as Thailand is a major production base for hard-drive makers.

"We have concluded that, if we continue the business by ourselves, we will face cash shortage soon," the company said.

In 2009, Elpida got government emergency aid totaling 30 billion yen (\$375 million) in investments through the government-owned Development Bank of Japan. Other [Japanese electronics makers](#) have pulled out of the DRAM business.

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