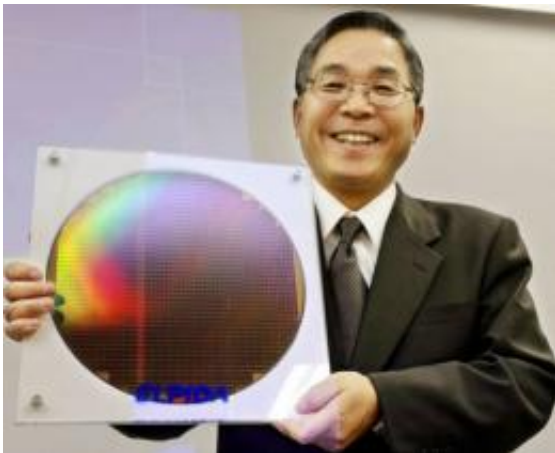


Japan's Elpida to be delisted from Tokyo Stock Exchange

March 27 2012



Elpida Memory President, Yukio Sakamoto shows off a 300mm silicon wafer for DRAM chips during a press conference in Tokyo in 2004. Japan's Elpida Memory, one of the world's top microchip makers, is set to be delisted from the Tokyo Stock Exchange Wednesday in the biggest corporate failure in Japanese manufacturing history.

Japan's Elpida Memory, one of the world's top microchip makers, is set to be delisted from the Tokyo Stock Exchange Wednesday in the biggest corporate failure in Japanese manufacturing history.

The troubled firm, which had stayed alive in a 2009 government-backed rescue plan, filed for [bankruptcy protection](#) in late February with crushing debt of 448 billion yen (\$5.42 billion).

After a month's grace period, trading in Elpida shares will stop after the Tokyo bourse delists its stock, which finished at one yen on Tuesday.

The delisting marks a stunning fall from grace for a firm that was the world's third-largest maker of the [dynamic random access memory](#) (DRAM) chips used in mobile phones and other personal electronics.

But the punishingly high yen and fierce competition hammered the company, putting its survival in doubt.

"We sincerely regret any inconvenience caused... for creditors as well as the people who have been supporting us," it said in a February 27 statement announcing the bankruptcy filing.

The move came after Elpida failed to find ways to survive via possible tie-ups and requests for fresh [bank loans](#).

Elpida was established in 1999 from a merger of the chip making divisions of Japanese electronics giants NEC and Hitachi. It became Japan's only DRAM maker in 2003, when [Mitsubishi Electric](#) sold its chip division to the company.

Elpida aggressively invested to boost its capacity, particularly in 2006 through 2007 as a producer of premium chips for personal computers, [mobile handsets](#) and digital appliances, gambling the market would continue to expand.

But it fell victim to global market volatility when DRAM prices sharply fell in 2009, shrinking its earnings.

Elpida managed to survive as the government-backed Development Bank of Japan (DBJ) bought 30 billion yen worth of Elpida shares. The DBJ also joined three other private banks to issue loans worth 110

billion yen.

But the sustained strength of the Japanese currency, falling DRAM prices and fierce competition against South Korean and Taiwanese rivals squeezed Elpida.

It was also hit hard by the severe Thai flooding last year that disrupted its supply chain.

The strong yen hammered Japanese exporters by making their products more expensive overseas while eroding the value of repatriated foreign profits.

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