

## S. Korea's Hynix bids for Japan's Elpida

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SK Hynix, the world's second largest microchip maker, said Friday it has submitted a preliminary bid for its struggling Japanese rival Elpida Memory.

SK Hynix said in a brief regulatory filing that a final decision on its bid would follow the completion of due diligence.

Elpida, which was once the world's third-largest maker of [dynamic random access memory](#) (DRAM) chips, filed for [bankruptcy protection](#) late February with crushing debts of \$5.4 billion.

It was delisted from the Tokyo Stock Exchange Wednesday in the biggest corporate failure in Japan's manufacturing history.

The bid comes a month after South Korea's largest mobile carrier [SK Telecom](#) completed the acquisition of a controlling 21.1 percent stake Hynix for 3.34 trillion (\$2.95 billion).

SK Telecom, which controls about half the country's mobile market, is a key affiliate of the SK Group, the country's third-largest conglomerate by assets.

The acquisition was part of SK Telecom's drive to diversify its business because of stagnant growth in the saturated domestic mobile market.

Creditors rescued Hynix by swapping their debt holdings into shares in 2001 and 2002.

Elpida was established in 1999 from a merger of the chip-making divisions of Japanese electronics giants NEC and Hitachi. But it fell victim to global market volatility when DRAM prices fell sharply in 2009, shrinking its earnings.

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