

# Fujitsu plunges into huge loss, eyes job cuts

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Japan's Fujitsu said Thursday it lost almost \$1.0 billion in the nine months to December and was looking into slashing 5,000 jobs worldwide as it struggles to compete with cheaper overseas competition.

The sprawling company also cut its full-year earnings forecast as it overhauls a troubled semiconductor division, merging some of its chip business with that of rival Panasonic.

[Fujitsu](#) said it was in talks with labour unions to chop about 5,000 jobs from a 170,000-strong global staff, while moving another 4,500 jobs off its [payroll](#) to a separate, independent company as part of its chip business overhaul.

For the nine months to December, the company booked a 90.12 billion yen (\$962 million) net loss, reversing a year-earlier [net profit](#).

For the year to March, it said it now forecasts a 95.0 billion yen loss, representing the company's first fiscal net loss in four years and reversing earlier estimates of a 25 billion yen profit.

"This business has been confronted with an extraordinarily difficult [operating environment](#) as sales declined due to fast-deteriorating market conditions and an increasingly severe competitive climate," Fujitsu said.

However, the bulk of its shortfall was an 87 billion yen special loss tied to reforming its chip unit and slumping demand in debt-wracked Europe, which is grappling with a [recession](#).

Revenue in the period was 3.12 trillion yen, down 1.6 percent.

Fujitsu has agreed with Panasonic, which is also struggling to repair its finances, to merge some of their chip businesses into a design and development firm.

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