

Smartphone screen maker Japan Display cutting 30% of workforce

August 9 2017

Japan Display said Wednesday it would slash 3,700 jobs, or about 30 percent of its workforce, as the struggling smartphone screen maker's chief executive warned it was the "last chance" for a turnaround.

Citing intense competition, the Tokyo-based company said it would cut 3,500 positions at overseas assembly plants and another 240 jobs from its payroll in Japan.

The job cuts, which represent nearly 30 percent of the 13,100-strong workforce, are expected to save 50 billion yen (\$455 million) annually, it said, adding that total restructuring costs would be about 170 billion yen.

Japan Display, born out of the 2012 merger of the liquid crystal [display](#) divisions of Hitachi, Toshiba and Sony, has been losing money for years as it lagged behind its foreign rivals while the industry shifted to new technologies.

"We find ourselves in a very regrettable situation," CEO Nobuhiro Higashiiriki told a press briefing.

"Our biggest task is to build a management system that generates profits by keeping in mind that this is our last chance to restructure," he added.

Earlier Wednesday the company said it must cut the cost of surplus production capacity.

"Therefore, JDI has determined that it must overhaul its manufacturing system to bring it in line with a changing market and reduce the level of fixed costs," it said in a statement.

Wednesday's jobs announcement came as the firm logged a net loss of 31.5 billion yen in the April-June period, nearly three times higher than its shortfall in the same quarter a year earlier.

The group also expects to book a full-year operating loss due to heavier development costs to cope with growing demand for light-emitting OLED displays.

The company was slow to enter the market for OLED screens, which are more flexible than LCD screens and boast a sharper image.

"We have decided to make a strategic change as we would have no future in the smartphone business without OLED," the firm's CEO said.

The group is testing a new OLED panel but mass production will not begin until 2019, he added.

South Korea's Samsung is leading in OLED mass production, with another South Korean group, LG, trying to catch up.

OLED screens are increasingly becoming the preferred choice in high-end smartphones and Apple is rumoured to be planning a switch to OLED technology for its new iPhone, which is being launched this year.

Japan Display, which has factories in Japan and elsewhere in Asia, supplies screens to Apple and China's Huawei.

Public-private Innovation Network Corp of Japan is its top shareholder with a stake of more than one-third.

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Citation: Smartphone screen maker Japan Display cutting 30% of workforce (2017, August 9)
retrieved 27 April 2024 from

<https://phys.org/news/2017-08-smartphone-screen-maker-japan-workforce.html>

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