

Japan's Toshiba cuts profit outlook again

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Struggling Japanese engineering firm Toshiba lowered its profit forecasts Wednesday with rising costs weighing on its energy operations.

The fresh downgrade comes as the firm undergoes painful reforms to

stay afloat after logging billions of dollars in losses from its disastrous acquisition of US nuclear firm Westinghouse.

Having sold its lucrative chip making business, Toshiba also saw sharply lower operating profit over the past three quarters compared with the previous year, though proceeds from the sale boosted its net profit over the nine-month period.

For the year to March, Toshiba said it now expects a net profit of 870 billion yen (\$7.86 billion), down from a November estimate of 920 billion yen.

In May, the [company](#) issued its original annual [net profit](#) forecast at 1.07 trillion yen.

The drop was due in part to a so-called goodwill impairment associated with falling share prices of a subsidiary, but also higher costs at a domestic power transmission and distribution project, the company said.

Toshiba also cut its annual operating [profit](#) to 20 billion yen, while slightly increasing its annual sales projection to 3.62 trillion yen.

The Tokyo-based company used to sell everything from rice cookers to [nuclear plants](#) and has long been a household name.

But a series of scandals and business losses in recent years have forced the company to withdraw from many operations, such as appliances and personal computers that gave it brand recognition.

To stay afloat, the cash-strapped group sold its lucrative chip business for \$21 billion to K.K. Pangea, a special-purpose company controlled by a consortium led by US investor Bain Capital.

Still, the company is scrambling to revive itself, having announced in November plans to slash 7,000 jobs, to scrap or consolidate some factories and reduce its subsidiaries, to liquidate a unit building a UK [nuclear power plant](#), and to withdraw from a US-based liquid natural gas business.

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