

Chip Maker Elpida Removed From Tokyo Exchange

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TOKYO (AP) — Computer chipmaker Elpida Memory Inc. was removed from the Tokyo Stock Exchange on Wednesday after filing for Japan's largest-ever manufacturing bankruptcy.

Tokyo-based Elpida is the only manufacturer in Japan to specialize in DRAM chips used in mobile phones and computers. Its failure comes amid a shake-up in the electronics sector, driven by South Korean makers such as Samsung Electronics Co. and LG Electronics Inc., which are eclipsing once dominant Japanese electronics giants.

A month ago, Elpida announced it was being reorganized after years of sliding chip prices, punishing competition from South Korea's Samsung Electronics Co. and weaker sales due to last year's flooding in Thailand that disrupted production.

The company reported a debt of 448 billion yen, or \$5.5 billion, in its bankruptcy filing.

Seeking to boost its finances, Elpida last year raised about \$145 million in a secondary listing on the Taiwan Stock Exchange.

A glut of DRAM supply following the 2008 global financial crisis prompted the Taiwan government to try to engineer a consolidation of the island's six major DRAM makers into a new company working with either Elpida or U.S.-based Micron Technology. But the project fell apart.

The Taiwan government has said it will continue to push for the consolidation with Elpida, working with U.S. chipmaker Micron Technology Inc. They are seeking to counter competition from Samsung and another South Korean maker, Hynix Semiconductor, that together control more than 60 percent of the world memory chip market, according to marketing firm TrendForce Corp.

Rexchip Electronics, a Taiwanese maker in which Elpida has a majority stake, said it will sell its chips either to a restructured Elpida or find new buyers as it is seeking \$135 million in outstanding payments from Elpida.

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