

Troubled Toshiba's profits chipped by raw materials hike

J
apanese electronics manufacturer [Toshiba](#) has fallen foul of the global chip shortage and the hike in raw material costs due to rampant global inflation posting a dip in profits for the first quarter of the year.

Its chief finance head Masayoshi Hirata said the company had “been able to only offset about half the impact of higher materials and logistics costs with price hikes.”

The beleaguered business announced the departure of boss Satoshi Tsunakawa, [and the appointment of current corporate senior vice president Taro Shimada as his replacement, in March this year.](#)

At the time, no solid explanation was given for his departure.

However, under his watch he had put forward proposals to [split the company into three arms to release more value to shareholders, but the plan was opposed, causing the company to consider splitting itself into two entities.](#)

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Toshiba is understood to have been circled by private equity hawks since the botched restructuring attempt. It is reported

that a buyout of the company could net shareholders and the board north of \$20 billion (£16.5 billion).

The loss of 4.8 billion yen (£29.4 million), its first quarterly loss in two years, a drop from 14.5 billion yen during the same period a year earlier.

Higher material and logistics costs [impacted earnings by 9.4 billion yen, while a chip shortage had a negative cost of 3 billion yen, according to Toshiba.](#)

The business stuck with its annual profit forecast for a 7% rise to 170 billion yen.