Toshiba to Join Rival Blu-ray Camp

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TOKYO (AP) -- Having lost the video format war, Toshiba Corporation said Monday it will make Blu-ray disc products and plans to join the once-rival camp, the Blu-ray Disc Association.

The Japanese electronics maker had backed another high-definition video format, the HD-DVD, but ceded defeat last year, saying it will give up making or developing HD-DVD products.

There had been some speculation Toshiba may skip making Blu-ray products and instead try to develop an even more sophisticated video technology.

But Toshiba said it is planning to introduce Blu-ray products such as players and personal computers. Details were set to be announced later.

"In light of recent growth in digital devices supporting the Blu-ray format, combined with market demand from consumers and retailers alike, Toshiba has decided to join the BDA," it said, referring to the Blu-ray association.

The Blu-ray alliance, backed by Japanese rivals Sony Corp., Panasonic Corp. and others, had been more successful in wooing Hollywood studios.

Some kind of decision from Toshiba had been expected ahead of the key year-end shopping season. The move is reminiscent of Sony's strategy after its Betamax videotape standard lost to Panasonic's VHS in the 1980s. Sony ended up making VHS products.

The Blu-ray market could be too lucrative for Toshiba to pass up. The Japanese electronics maker racked up its biggest loss ever, 344 billion yen ($3.5 billion) in its last fiscal year, which ended in March.

Apart from home entertainment products, Toshiba is also a large maker of PCs, in which Blu-ray drives are slowly supplanting DVD drives. Without Blu-ray drives, Toshiba laptops could have lost out to other manufacturers.

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