

Sony - out of red and back in black

TOKYO, JAPAN: Japan's electronics company Sony said on Thursday (1 August) it had swung back to a net profit of US\$35m for the April to June quarter, while boosting its annual sales forecast.

SONY

Sony racked up a ¥3.5bn net profit for the three months to June, reversing a net loss of ¥24.6bn a year earlier, as it lifted its full-year sales target to ¥7.9trn, up from ¥7.5trn.

At the operating level, Sony said its profit in the quarter surged by five-fold to ¥36.4bn.

The improving results come after Sony said in May it had booked its first annual net profit in five years, offering a glimmer of hope for the former market leader.

But its jump back into the black was largely due to fluctuations in the value of the yen and gains from a string of asset sales, including selling its Manhattan office building for more than US\$1.0bn, while its television and electronics business continues to struggle.

Japan's electronics companies have been undergoing painful restructurings aimed at stemming years of record losses largely tied to their electronics units.

The sector has had trouble keeping up in the low-margin television business while foreign rivals including Apple and South Korea's Samsung have blown past them in the lucrative smartphone sector.

Source: AFP via I-Net Bridge