

Sony sells Tokyo building for ¥111bn

TOKYO, JAPAN: Sony said Thursday (28 February) it has sold one of its main buildings in Tokyo for US\$1.2bn as the embattled Japanese electronics giant offloads assets to help repair its tattered balance sheet.

SONY

The news comes after the company in January announced the sale of its US headquarters in Manhattan for more than US\$1.0bn while this month it also sold part of its online medical services unit.

Sony said it had sold the 25-storey central Tokyo building, which houses its television unit, to Nippon Building Fund and an unnamed Japanese institutional investor for ¥111bn yielding a profit of ¥41bn.

"Sony is transforming its business portfolio and re-organising its assets in an effort to strengthen its corporate structure," the company said in a statement. "This sale was conducted as a part of this re-organisation."

Sony said it would remain in the central Tokyo building for five years under a leasing agreement.

Earlier this month, the firm said it would book a US\$1.2bn gain from selling part of an online medical services unit, as it eyes a full-year profit after four years in the red.

Sony has announced a massive corporate overhaul that includes thousands of job cuts, the sale of a chemical division and an investment in Olympus to tap the camera and medical equipment maker's strong foothold in the global market for endoscopes.

The maker of Bravia televisions and PlayStation games consoles lost ¥456.7bn in the last fiscal year, but says it is on track for a ¥20bn net profit for the year to March.

Last week, Sony announced it would launch its PlayStation 4 system as it faces increasing competition from cheap or sometimes free downloadable video games for smartphones and tablets.

The company's hard times saw its stock value tumble below ¥1,000 a share last year, for the first time since it launched the Walkman years ago.

The stock has since come back, with Sony shares up 3.56% at ¥1,338 on Thursday in Tokyo.

Japan's electronics sector has suffered myriad problems including a strong yen, slowing demand in key export markets, fierce competition especially in the struggling TV division and strategic mistakes.

Source: *AFP* via I-Net Bridge

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