

# Panasonic quarterly profit jumps 24 percent

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In this Jan. 7, 2011 file photo, a buyer takes a photo of a 3-D HDTV display by Panasonic at the International Consumer Electronics Show in Las Vegas. The Osaka-based maker of Viera plasma TVs and Lumix digital cameras reported Wednesday, Feb. 2, 2011 its quarterly profit jumped 24 percent, driven by strong sales of flat-panel TVs, auto components and solar panels that offset damage from a strong yen. (AP Photo/Julie Jacobson, File)

(AP) -- Panasonic's quarterly profit jumped 24 percent, driven by strong sales of flat-panel TVs, auto components and solar panels that offset damage from a strong yen.

The Osaka-based maker of Viera plasma TVs and Lumix digital cameras on Wednesday reported 39.98 billion yen (\$490 million) in profit for the October-December quarter, up from 32.26 billion yen the year before.

The solid results came despite the damage from a strong yen, severe price drops in gadgets and soaring material costs.

Quarterly sales for the Japanese electronics maker climbed 21 percent to 2.285 trillion yen (\$28 billion).

Both results were in line with analyst expectations as surveyed by FactSet.

Panasonic had strong sales both in Japan and abroad, helped by a gradual global recovery, but also by economic stimulus spending in several countries, including rebates for green gadgets in Japan.

Panasonic also said it was well on its way to completing the acquisition of Japanese rival [Sanyo Electric](#) Co. into a wholly owned subsidiary, set to be completed by April.

The company said it hoped to gain "synergy" from Sanyo, which makes solar panels and batteries for hybrids and other ecological vehicles.

Panasonic is also in a joint venture with Toyota Motor Corp. to make batteries for hybrid vehicles like the popular Prius.

Panasonic - whose operations sprawl across a wide area, including housing, [computer chips](#), home appliances and plasma panels - is shaping a brand image around ecological products such as solar energy for homes and green cars as well as [rechargeable batteries](#) and recycling efforts.

It has also been shedding unprofitable sectors to turn itself around, and focusing on growth markets such as China and India, raising its overseas sales.

Like other Japanese electronics companies, including archrival Sony Corp., Panasonic faces intense competition from formidable South Korean players like Samsung Electronics Co., the world leader in flat-panel TVs.

Samsung Electronics, also the world's largest manufacturer of computer memory chips, had a record year for earnings and sales, reporting a quarterly net profit rise of 13 percent 3.42 trillion won (\$3.1 billion) amid strong demand for semiconductors and smartphones.

Tokyo-based Sony reports earnings Thursday.

Panasonic said sales were strong in Blu-ray disc recorders, air conditioners, refrigerators and electronic components.

Also helping its bottom line were cost cuts and streamlining efforts, it said.

Panasonic stuck to its forecast for net profit of 85 billion yen (\$1 billion) for the year through March 2011 - a reversal from red ink the previous year. It forecast sales of 8.9 trillion yen (\$109 billion), up 20 percent.

The results show that Panasonic has been relatively resilient in riding out the risks of a strong yen, which erodes the value of overseas earnings for Japanese exporters. The dollar has sunk to about 82 yen lately from 89 yen the previous year.

For the first nine months of the fiscal year, Panasonic recorded a 114.7 billion yen (\$1.4 billion) profit, up from a loss of 14.6 billion yen. April-December sales gained 27 percent to 6.653 trillion yen (\$81.6 billion).

[Panasonic](#) shares edged up nearly 0.1 percent to 1,126 yen (\$13.8) on the Tokyo Stock Exchange, shortly before earnings results were announced.

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