

Panasonic posts loss, forecasts full year red ink

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A man inspects Panasonic TVs at an electronics retailer in Tokyo, Monday, Oct. 31, 2011. Panasonic Corp. stayed in the red in the latest quarter and projected a huge annual loss due to slumping TV sales and the strong yen. (AP Photo/Koji Sasahara)

(AP) -- Panasonic Corp. stayed in the red in the latest quarter and projected a huge annual loss due to slumping TV sales and a strong yen.

The company, which makes consumer electronics such as Viera TVs and

Lumix cameras, on Monday reported a loss of 105.8 billion yen (\$1.34 billion) for the July-September quarter.

Panasonic now expects a loss of 420 billion yen (\$5.3 billion) for the [fiscal year](#) through March 2012, down sharply from an earlier projection of a 30 billion yen (\$380 million) profit.

Panasonic had slumped to a 30.4 billion yen loss in the April-June quarter, hit by damages and lost sales from the March 11 earthquake and tsunami that devastated Japan's northern coast and killed nearly 20,000 people.

Despite signs of recovery from the disaster, the company faces new challenges, including the global [economic slump](#), slowing demand in [emerging markets](#) and the strong yen. Sales were down in [flat panel TVs](#), auto electronics, cellphones as well as electronics parts and components.

Earlier Monday, Japanese authorities intervened in the currency market to weaken the yen against the dollar and ease pressure on [Japanese exporters](#). That caused the dollar to jump nearly 5 percent to above 79 yen after earlier touching a post World War II-low of 75.32 yen - a level that is excruciating for exporters.

Panasonic said its sales dropped 6 percent to 2.08 trillion yen (\$26.3 billion) during the July-September quarter from a year earlier.

Panasonic suffered a loss of 136.2 billion yen (\$1.72 billion) during the first six months of the business year, compared to 74.7 billion yen profit a year earlier. Its sales fell by 8 percent to 4 trillion yen (\$50.6 billion). Overseas sales fell more than those at home, the company said.

The loss for the half-year period was largely due to restructuring of flat-panel TV operations and other efforts related to cost cutting.

Panasonic stock fell 2.1 percent to 809 yen on the Tokyo Stock Exchange, which closed just before the earnings report was released.

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