

Hit by yen, Thai floods, Sony sees wider net loss

February 2 2012



In this Nov. 19, 2009 file photo, Sony Corp. CEO Howard Stringer, left, and Executive Deputy President Kazuo Hirai smile as they show off the company's latest products, e-book "Reader," and a new remote controller for PlayStation 3, respectively, during a press conference in Tokyo. Sony announced on Wednesday Feb. 1, 2012 Kazuo Hirai will replace Howard Stringer as president and chief executive officer effective April 1. (AP Photo/Shizuo Kambayashi, File)

(AP) -- Battered by weak TV sales, a strong yen and production disruptions from flooding in Thailand, Sony Corp. on Thursday reported a net loss of 159 billion yen (\$2.1 billion) for the October-December quarter and projected it would lose even more money for the full fiscal year than it had expected three months ago.

The [Japanese electronics](#) and entertainment company, which a day

earlier announced that Kazuo Hirai will replace Howard Stringer as CEO and president effective April 1, said it predicts a [net loss](#) of 220 billion yen for the year through March, up from an earlier forecast of 90 billion yen.

That would be fourth straight year of red ink for Sony, despite massive cost cuts and restructuring efforts in recent years.

Hirai, 51, leads the company's core consumer products business. He will be taking the helm at Sony as it struggles to regain its once-powerful stature and creative flair that made it a dominant force in the global electronics industry in the 1980s and early 1990s.

Hirai, currently executive deputy president, was widely expected to succeed the Welsh-born Stringer, one of the few foreigners to lead a major Japanese company. He will retain his post as chairman of the board.

A key priority for Hirai will be turning around Sony's struggling TV business - battered by competition from South Korea's [Samsung Electronics](#) Inc. and others. Hirai, who also led Sony's gaming division earlier in his career, also must guide Sony as it faces increasingly intense competition in the gaming sector from Apple Inc.'s iPod and [iPhone](#) and Nintendo Inc.'s DS handheld.

Hirai, who in 2009 was named as part of a new management team made up of younger executives, laid out some objectives in a statement released Wednesday evening.

"The path we must take is clear: to drive the growth of our core electronics businesses - primarily digital imaging, smart mobile and game; to turn around the [television business](#); and to accelerate the innovation that enables us to create new business domains," he said.

Sony, which makes about 70 percent of its sales outside Japan, has also been hurt by the strong yen, which erodes overseas earnings.

Sony's regional production network was hit by widespread flooding late last year in Thailand, where two of its factories had to be shut down and are still not operating, according to Satsuki Shinnaka, a company spokeswoman. The company has shifted production to other facilities to make up for the shortfall.

©2012 The Associated Press. All rights reserved. This material may not be published, broadcast, rewritten or redistributed.

Citation: Hit by yen, Thai floods, Sony sees wider net loss (2012, February 2) retrieved 11 July 2024 from <https://phys.org/news/2012-02-yen-thai-sony-wider-net.html>

<p>This document is subject to copyright. Apart from any fair dealing for the purpose of private study or research, no part may be reproduced without the written permission. The content is provided for information purposes only.</p>
--