

New Sony president gets shareholder approval

June 27 2012, by YURI KAGEYAMA



In this April 12, 2012 file photo, Sony Corp. President and Chief Executive Officer Kazuo Hirai poses for photographers after a press conference at the Sony headquarters in Tokyo. Hirai, the former head of Sony's game division, will steer the struggling Japanese electronics and entertainment conglomerate's turnaround as the company's new president and chief executive. Shareholders approved Hirai after a grilling by frustrated investors at an annual meeting in Tokyo on Wednesday. Shareholders demanded to know how the company's past glory was going to be retrieved. (AP Photo/Shizuo Kambayashi, File)

(AP) — Kazuo Hirai, the former head of Sony's game division, won shareholder approval Wednesday to steer a turnaround at the struggling Japanese electronics giant as its new president and chief executive.

But frustrated investors at the company's annual meeting in Tokyo grilled him and other board members, demanding to know how the

company's past glory was going to be revived.

One shareholder got up without being picked to speak, and began shouting. Another [shareholder](#) asked why Howard Stringer, whom Hirai replaced, was staying on as chairman when Sony's performance had been so dismal under his seven-year tenure. Reporters were able to watch the proceedings on a monitor.

Tokyo-based Sony, once an icon of Japan Inc. with its portable Walkman music player, reported its worst loss in its 66-year corporate history for the business year ended March. Its profitability was battered by the tsunami disaster in 2011, flooding in Thailand, the global economic slowdown and a soaring yen.

The plunging prices of gadgets have also hurt Sony. Its annual loss last fiscal year of 457 billion yen (\$5.7 billion) was its fourth straight year of red ink.

More critically, it has stumbled in the face of powerful rivals such as Samsung Electronics Co. of South Korea, which dominates the global TV business, and Apple Inc. with its iPhone and iPad offerings. Apple's devices have been bigger hits than Sony products even in the Japanese market. Sony has lost money for eight straight years in its mainstay TV business.

"We take the problem Sony's electronics business is facing very seriously, and we feel a sense of crisis," Hirai told shareholders.

Hirai's appointment as president and chief executive, replacing Welsh-born Stringer, the first foreigner to head Sony, was announced in April, and up for vote at the meeting. Despite some critical questions, the proposal passed at the end of the 90-minute meeting.

Sony is forecasting a return to profit for the business year through March 2013. Its troubles were worsened by factory and supplier damage in northeastern Japan, which was ravaged by the earthquake and tsunami last year. Sony also suffered production disruptions from the flooding in Thailand.

Hirai has already said the company will cut 10,000 jobs, or about 6 percent of its global workforce, and turn a profit in TVs in the next two years. The job cuts come on top of a couple of rounds of layoffs under Stringer.

[Sony](#) shares have lost about half their value over the past year to trade recently at about 1,000 yen (\$12).

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