

Panasonic returns to profit in 1Q on cost cutting

July 31 2012, by MALCOLM FOSTER



In this March 2, 2012 photo, a visitor inspects Panasonic's Viera TVs at a retail store in Tokyo. Consumer electronics giant Panasonic Corp. said Tuesday, July 31, it returned to the black in the April-June quarter, logging a net profit of 12.8 billion (\$163 million) mainly on lower costs after cutting more than 38,000 jobs over the last year. (AP Photo/Koji Sasahara)

(AP) — Panasonic Corp. said Tuesday it returned to the black in the April-June quarter, logging a net profit of 12.8 billion (\$163 million) mainly on lower costs after cutting more than 38,000 jobs over the last year.

The consumer electronics giant had a net loss of 30.4 [billion yen](#) in the same quarter a year earlier.

The Osaka-based maker of Viera TVs and Lumix digital cameras said that it turned a [profit](#) despite a 6 percent decline in fiscal first quarter

sales to 1.815 trillion yen amid weak demand in its Japanese home market.

The European financial crisis and the strong yen, which erodes overseas sales when repatriated to Japan, also weighed on the company's performance, it said in a release.

[Panasonic](#) kept its profit forecast for the full fiscal year through March 2013 unchanged at 50 billion yen (\$638 million). Last fiscal year, it reported a record loss of 772.2 billion yen.



People are reflected on a glass exterior of a Panasonic showroom in Tokyo Tuesday, July 31, 2012. Consumer electronics giant Panasonic Corp. said Tuesday it returned to the black in the April-June quarter, logging a net profit of 12.8 billion (\$163 million) mainly on lower costs after cutting more than 38,000 jobs over the last year. (AP Photo/Itsuo Inouye)

The company said it slashed its global workforce to about 327,500 as of the end of June from nearly 366,000 a year earlier.

Sales of its audio-visual products decreased 20 percent to 360 billion yen on poor demand for flat-panel TVs, but the division managed to swing to

a profit of 7.4 billion yen after losing money a year earlier.

Profits in its home appliance segment — the biggest of eight business divisions — rose 7 percent on higher [sales](#) of refrigerators and washing machines.

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