

Panasonic returns to annual profit on weak yen

April 28 2014, by Yuri Kageyama

Panasonic returned to profit after deep losses for the past two fiscal years, as a weak yen and restructuring efforts helped a gradual recovery, and forecast a 16 percent increase in gains for the coming year.

Like other Japanese electronics companies, Panasonic Corp. has been struggling amid intense competition from Apple Inc. and South Korea's Samsung Electronics Co. Prices of gadgets have been falling, adding to Panasonic's woes.

The Osaka-based maker of the Lumix camera and Evolta batteries reported Monday 120.4 billion yen (\$1.2 billion) in profit for the fiscal year through March 2014, a reversal from a 754.3 billion yen loss the previous fiscal year.

For the fiscal year through March 2015, it is projecting 140 billion yen (\$1.4 billion).

For the fiscal year through March 2012, it had lost 772 billion yen, one of the biggest losses ever for a Japanese company.

Sales for the fiscal year ended March 2014 gained 6 percent to 7.737 trillion yen (\$75.85 billion), as sales improved in a variety of sectors, including appliances, auto parts and ecological products such as lighting.

A weak [yen](#) is a boon for Japanese exporters by boosting the value of overseas earnings.

The bad news is that the positive impact from a favorable exchange rate is not likely to keep up momentum in coming months.

Panasonic is expecting sales to stay flat for the fiscal year through March 2015.

The Japanese electronics brand that has been a longtime rival to Sony Corp. has also suffered because it lost out in the smartphone sector. But it has been working on its ambitions to grow its relatively newer auto and housing businesses.

Sony reports earnings May 14.

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