

# Sony swings to \$1.4 bn full-year profit as PlayStation sales soar

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Sony posted a \$1.4 billion annual profit Thursday, boosted by strong sales of its PlayStation console, but analysts warned that slowing smartphone demand could hit a lucrative business that makes key parts for mobile devices.

The company's full-year profit—only its second since the 2008 [global financial crisis](#) preceded years of eye-watering losses—may be a sign that things have finally turned around for Sony.

Under former US games boss Kazuo Hirai, the company has been clawing back to profitability with a painful restructuring that included layoffs and selling of assets, including its Manhattan headquarters and a laptop division.

Sony, along with rivals Panasonic and Sharp, has struggled in the consumer electronics business that built its global brand, including losing billions of dollars in televisions over the past decade as it was hammered by competition from lower-cost rivals.

Struggling Sharp has been bought out by Taiwan's Foxconn, while Panasonic has been reporting better earnings as it focuses on lesser-known divisions that make more money.

On Thursday, Sony said its net profit came in at 147.8 billion yen (\$1.4 billion) for the fiscal year to March, reversing a 126.0 billion yen loss a year earlier.

Operating profit for the fiscal year quadrupled to 294.2 [billion yen](#), although sales edged down 1.3 percent from a year ago.



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Sales of its PlayStation 4 console reached 36 million units worldwide in early January since its launch three years ago.

The unit has seen the fastest and strongest adoption since the first generation of the console was introduced in late 1994.

Games have taken on a key role in Sony's turnaround, along with movies and music.

Sony's businesses include a music label and Hollywood studio, while it also operates a profitable but lesser-known financial unit.

"Sony has regained its strength," said Rakuten Securities analyst Yasuo Imanaka.

"The company's game and device sectors have spearheaded the revival, and they've stopped the bleeding in money-losing businesses."

Sony bought Toshiba's image sensor business which it hopes will boost its position as a global leader in the key components found in smartphones and other [mobile devices](#).

But slowing global smartphone demand was a red flag for what has become a big profits driver at Sony.

"The prospects for its device sector have been clouded as demand for image sensors—which is Sony's growth engine—is slowing," Imanaka said.

"Sony is likely to stay profitable this year, but its bottom line will depend on that business."

Sony delayed giving a forecast for the current year as it assesses the impact of this month's deadly quakes in southern Japan, which led to some temporary factory closures.

"The impact of the earthquakes on Sony's consolidated results for the [fiscal year](#) ending March 31, 2017, continues to be evaluated," it said.

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