

Sony H1 net profit dives 78% on strong yen, battery unit sale

November 1 2016



Visitors play a virtual reality game at Sony's booth during the Tokyo Game Show 2016, in Chiba, suburban Tokyo

Sony said on Tuesday its fiscal first half net profit dived owing to a sharp rally in the yen and losses linked to the sale of its battery business.

The Japanese electronics giant, which has been shedding assets as part of a broad restructuring, said it had a 26 billion yen (\$248 million) net

profit in the six months through September, down nearly 78 percent from a year ago.

Revenue during the period fell more than 10 percent to 3.3 trillion yen "primarily due to the impact of foreign exchange rates", Sony said.

The company said sales in its mobile communications business slumped, offsetting strong demand for games for its hugely popular PlayStation 4 game console.

Tuesday's first-half results come a day after Sony warned that it now expected a [net profit](#) of 60 billion yen in the year through March 2017, down from an earlier 80 billion yen forecast.

It cited impairment charges and other costs linked to the sale of its battery division to Apple supplier Murata Manufacturing.

In July, Sony cut its full-year sales forecast—trimming it to the current level 7.4 trillion yen—as it blamed the surging yen and slower smartphone sales.

Japanese firms have benefited from a weak currency in recent years, which allows them to make their products cheaper overseas.



President and CEO of Sony, Kazuo Hirai, participates in a panel discussion during the annual Clinton Global Initiative, in New York, on September 20, 2016

But the yen, which is seen as a safe bet, shot up since the start of the year amid wild volatility on world financial markets and as uncertainty over Britain's decision to leave the EU stoked demand for less risky investments.

Sony has also warned that a pair of deadly quakes in Japan in April would also dent financial results.

The quakes, which caused major damage in southern Kyushu and claimed dozens of lives, forced Sony to temporarily shutter factories, hitting production and sales.

The once-iconic firm has been working to stay profitable after years of

huge losses, under a painful restructuring that has included layoffs and asset sales.

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