

Sony profits soar more than tenfold, forecast revised up

February 2 2018



Sony said Friday its nine-month profit had soared more than tenfold, and upgraded its annual profit forecast, demonstrating that its roaring comeback is continuing

Sony said Friday its nine-month profit had soared more than tenfold, and

upgraded its annual profit forecast, demonstrating that its roaring comeback is continuing.

With its financial health back on track, Sony said its chief executive Kazuo Hirai would step down after overseeing the successful overhaul of the once-ailing titan of Japan Inc.

The electronics giant, which has seen a sharp turnaround thanks to robust sales of PlayStation and smartphone parts, said it logged a nine-month net profit of 507.6 billion yen (\$4.62 billion), up from 45.6 billion yen in the same period last year.

It now forecasts annual net profit will reach 480 billion yen, up from the previous forecast of 380 billion yen.

The sizzling performance set the stage for Hirai to step aside in March, though he will stay on with the company, becoming its chairman.

He will be replaced by the company's current chief financial officer Kenichiro Yoshida on April 1, Sony said.

The electronics and entertainment giant had struggled with huge losses in recent years.

It has cut thousands of jobs and sold assets, including its Vaio laptop unit and a US headquarters in Manhattan to stop bleeding.

For the last three quarters, Sony saw stronger profits by its game, semiconductor and financial divisions, while a cheaper yen also fuelled better earnings, the company's statement showed.

The company also benefited from a rebound after deadly quakes in southern Japan hit production in 2016.

Surging sales from its music division have also helped to boost annual expectations, the company added.

"Sony has made a full-fledged comeback. Its game and semiconductors have been major contributors to its [profit](#) gain," Hideki Yasuda, an analyst at Ace Research Institute in Tokyo, told AFP before the financial announcement.

Yasuo Imanaka, an analyst at Rakuten Securities in Tokyo, echoed the sentiment, but added Sony should also work on its movies division.

"Its TV sector is showing a sign of recovery as demand for high-end TV sets is expected to further increase ahead of the Tokyo Olympics. Its immediate job is to rebuild its movie sector," Imanaka told AFP before the figures were disclosed.

© 2018 AFP

Citation: Sony profits soar more than tenfold, forecast revised up (2018, February 2) retrieved 18 April 2024 from <https://phys.org/news/2018-02-sony-profits-soar-tenfold.html>

<p>This document is subject to copyright. Apart from any fair dealing for the purpose of private study or research, no part may be reproduced without the written permission. The content is provided for information purposes only.</p>
--