

Sony net profit soars in April-June quarter

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Sony sees net profit soar in the April-June quarter

Japanese electronics and entertainment giant Sony said Tuesday its net profit nearly quadrupled in the three months to June, backed by brisk sales of smartphone components and cameras and solid revenue from its game business.

Tokyo-based Sony posted a quarterly net profit of 80.87 billion yen (\$730 million), up from 21.17 billion yen in the same period last year.

Sony struggled in recent years with huge losses, leading to a broad

turnaround effort by chief executive Kazuo Hirai.

The overhaul has seen the company cut jobs and sell divisions, including its Vaio laptop unit, to try to stop the bleeding. Sony even took a nearly \$1 billion writedown at its movie unit last year.

Quarterly sales in the semiconductor business, which includes sensors for use in smartphone cameras, soared more than 40 percent after production was hampered a year earlier by major earthquakes in southern Japan.

Major firms including Sony and Toyota temporarily shuttered factories following the quakes, hitting production and sales.

In April-June this year, camera sales also rose thanks to its production recovery and robust demand.

Revenue also increased in the game and network services business, which includes the popular PlayStation console and software titles.

But operating profit at the division shrank due to a lower price tag on a new PlayStation 4 model and a smaller contribution from software titles developed in-house.

Still, "PS4 has continued to be a key contributor due to a brisk performance in both hardware and software," Hideki Yasuda, an analyst at Ace Research Institute in Tokyo, told AFP before the release of figures.

"Shipments of CMOS sensors are strong," he said, referring to the components for smartphone cameras. "With no imminent concerns surrounding Sony, it is on course to a V-shape recovery."

Overall operating profit nearly tripled to 157.61 billion yen as total sales rebounded 15.2 percent to 1.86 trillion yen for April-June.

The company left unchanged its full-year operating profit forecast at 500 billion yen—which if achieved will be its best level in two decades—but raised its sales forecast to 8.3 trillion yen from 8.0 trillion yen.

It left its full-year net profit forecast intact at 255 billion yen.

The movie business is looking up after last year's massive writedown.

"Spiderman is a box-office hit, which will boost profit later this year," said Yasuo Imanaka, an analyst at Rakuten Securities.

"If its movie business can achieve a recovery, it will be a big bonus for Sony."

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