

Sony Doubles Red Ink Forecast To Worst Loss Ever

Malcolm Foster, Associated Press

TOKYO (AP) — Sony Corp. more than doubled its projected annual loss to 520 billion yen (\$6.4 billion), its worst red ink ever, due to a massive tax charge.

With new CEO Kazuo Hirai at its helm, the Japanese electronics company said Tuesday it expects an additional tax expense of 300 billion yen in the fiscal fourth quarter ending March 30. It said this non-cash charge stemmed from revaluing U.S. tax credits that are unlikely to be utilized due to its string of annual losses.

In February, it had projected an annual net loss of 220 billion yen amid weak TV sales, the strong yen and production disruptions from flooding in Thailand.

The company said its operating loss forecast was unchanged at a loss of 95 billion yen (\$1.2 billion). It forecast a return to profit in the year through March 2013.

Japanese news reports on Monday said Sony would cut about 10,000 jobs worldwide over the next year as it tries to return to profit, but the company would not confirm that.

This would be the fourth year of red ink for Sony — a daunting challenge for Hirai, who took over as CEO from Welsh-born Howard Stringer this month. Hirai is due to outline the company's new corporate strategy to journalists on Thursday.

Sony, whose businesses sprawl from cameras and cellphones to PlayStation game consoles and movies such as "The Smurfs," has for years been struggling to regain the swagger and creative flair that made it a dominant force in the global electronics industry in the 1980s and early 1990s.

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