

Sony's Fourth Year in the Red

Written by Marco Attard
10. 04. 2012

Fiscal 2011 is an even worse year than expected for new Sony CEO Kaz Hirai-- the company forecasts annual losses for 2011 will total \$6.4 billion, double earlier forecasts and a fourth straight year in the red.



Meanwhile the Nikkei business daily says Sony plans to slash its global workforce by 10000 workers (or 6% of its entire workforce) by the end of 2012 in order to "improve operational efficiency." Around 5000 workers will be cut from Sony's chemical and small and medium LCD businesses, with the remaining 5000 as part of domestic and international cuts.

The newspaper also claims the company might ask a number of directors (including chairman Howard Stinger) to return their bonuses.

Sony neither denies nor confirms the Nikkei reports.

As you might expect, Sony's biggest troubles come from one sector-- an underperforming TV segment, the former golden child of the Sony business. And not only because global TV demand down in general... Sony is also being continually out-innovated by the Korean competition, Samsung and LG.

In total, the Sony TV business lost \$10 billion in 10 years.

Kaz Hirai-- famous for reviving an ailing Playstation gaming business through aggressive

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cost-cutting-- promises to revive the struggling TV business within 2 years. Reuters reports the company is also planning more convergence, merging entertainment properties with CE brands in the hopes of boosting sales.

We will know more of Sony's future plans following the April 12 corporate strategy meeting.

Go [Sony Announces Revision of Consolidated Forecast for Fiscal 2011](#)

Go [Sony TV Business in a Slump \(Nikkei Business Daily\)](#)

Go [Sony Sees Record \\$6.4 Billion Loss \(Reuters\)](#)