

Sony April-December net profit down a third but lifts forecasts

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Sony has lifted its annual forecast despite concerns about the impact of China's deadly coronavirus

Sony said Tuesday net profit fell more than 30 percent in the nine months to December, but upgraded its annual net profit forecast on solid

growth in its image sensor and financial services sectors.

The PlayStation manufacturer said net profit dropped 31.2 percent to 569.55 billion yen (\$5.22 billion) for April-December, partly due to the negative impact of foreign exchange rates.

But the firm predicted net profit of 590 billion yen for the financial year, up from an earlier 540 billion yen estimate, on expected growth in image sensor sales and the financial services sector.

In the final three months of 2019, revenue in the financial services sector more than doubled to 407.2 billion yen while income in the image and sensor business rose nearly 30 percent to 298 billion yen.

The upgrading of the full-year forecast comes despite the impact of China's deadly coronavirus, which has sent markets plunging and forced manufacturers to keep plants closed.

"The impact of the virus on Sony is relatively big as it could affect not only its own production but also sales of its image sensors for smartphones manufactured by other companies in China," Hideki Yasuda, an analyst at Ace Research Institute in Tokyo, told AFP ahead of the release of the earnings report.

But he said for now image sensor sales "remain strong and are leading Sony's powerful performance".

"Demand for image sensors is expected to grow further as high-spec smartphones equipped with multiple lenses are getting more popular," he added.

Sales for Sony's music business are also expected to rise, the firm said, helped by its integration of EMI Music Publishing and an increase in

streaming revenues.

"Spider-Man: Far From Home," which became a record smash hit for Sony, earning more than \$1.1 billion at the international box office, helped boost its movie sales.

Sony has spent years struggling to recover from deep financial trouble, a process that entailed aggressive restructuring, the loss of thousands of jobs, and the sale of business units and assets.

It has seen a slowdown in its games and network businesses, and has said it expects revenue from the core sector to sag owing to a continued fall in game hardware sales, and the cost of developing a next-generation console.

In April-December, the firm posted sales of 6.51 trillion yen, down 0.4 percent on-year, and operating profit of 810.01 billion yen, down 0.2 percent.

For the full-year, Sony expects to make 8.5 trillion yen in sales and 880 billion yen operating profit, both up from previous forecasts of 8.4 trillion and 840 billion yen respectively.

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