

## SONY WILL BE CUTTING 10,000 JOBS

### SONY

Japanese electronics company, Sony Corporation, has recently reported that it will be cutting nearly 10,000 jobs, which makes up six percent of its entire workforce. The company is anticipating an annual loss for the fourth consecutive year, the first time since it listed back in 1958. Almost half of the reputed 10,000 positions are associated with the reorganization of businesses producing chemicals and small- to medium-sized LCD panels. Just this month, Chief Executive Officer Kazuo Hirai took control of Sony from Howard Stringer, who had himself taken over in 2005. Hirai cited “painful steps” that are to be taken in order for the company to proficiently cut costs. The predicted annual loss is reportedly on account of a stronger yen, losses due to the floods in Thailand in 2011, and abandoning a display-panel venture with Samsung Electronics Co. In February, Sony projected that it would be losing 220 billion yen, which is equivalent to 2.7 billion U.S. dollars, in the year ending in March. “The job cuts are just a temporary fix for Sony,” Mitsuo Shimizu, an analyst at Cosmo Securities Co., said in a Bloomberg article. “This wouldn’t help address the company’s real problems, like the slumping TV business.” Sony is Japan’s largest exporter of consumer-electronics and reportedly employed 168,200 workers at the end of March of last year, according to Bloomberg. The company’s stock in Tokyo trading increased 0.6 percent to 1,644 yen and has gradually moved up 19 percent in 2012 after a 53-percent drop the previous year. Sony’s net worth was 200 billion dollars in 2000 but now stands at only 20 billion, a meager amount when it is compared to Apple, standing at 591 billion dollars, and Samsung, which has been valued at 170 billion dollars. Hirai, who has been credited with the success of the PlayStation console in the gaming market, will be utilizing a new team and has also appointed himself in charge of the company’s waning TV business. Though Sony reported a potential loss in exiting its venture with Samsung, the sale of its stake in said venture will also save almost 50 billion yen for Sony’s TV business. Last month, the company announced that it would be selling a chemical products division, which employed approximately 3,000 workers. On April 1st, Sony created a new firm called Japan Display – a merging of the company’s Sony Mobile display unit, with about 2,000 employees, and the small LCD panel businesses of Toshiba Corporation and Hitachi, Ltd. When Stringer became CEO in June 2005, he also opted to cut positions within the company, which lost around 30,000 jobs. At that time, he announced an elimination of 10,000 jobs, with 11 factories shutting down. Three years later, around the start of the economic recession, Stringer stated that the company would be cutting 16,000 positions, which, when it announced, was Sony’s most significant reduction.

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