

Panasonic returns to black as appliance sales boom

YURI KAGEYAMA - AP Business Writer - Associated Press

Panasonic, Japan's biggest home appliance maker, returned to profit in its latest quarter and raised full year forecasts amid stronger sales of products from air conditioners to flat-panel TVs.

Panasonic Corp. reported Thursday that April-June profit totaled 43.7 billion yen (\$502 million), a reversal from a 53 billion yen loss a year earlier.

Quarterly revenue surged 35 percent to 2.161 trillion yen (\$24.8 billion) as sales grew across the board for Panasonic's wide range of products such as flat-panel TVs, Blu-ray recorders, air conditioners, rechargeable batteries, semiconductors and solar panels.

Osaka-based Panasonic's Japan sales grew a healthy 23 percent year-on-year, but its overseas sales did even better, climbing 50 percent, helping offset the damage from price competition and a rising yen, the company said.

Panasonic raised its forecasts for the full year through March 2011 to an 85 billion yen (\$977 million) profit on 8.9 trillion yen (\$102 billion) sales. It had previously expected 50 billion yen (\$575 million) in profit on 8.8 trillion yen (\$101 billion) sales.

Along with earnings, Panasonic announced it planned to take 100 percent control over its subsidiaries Sanyo Electric Co., which makes batteries for green vehicles and solar panels for green homes, and Panasonic Electric Works Co., which makes electric and housing equipment.

Panasonic is hoping to shape its growth strategy around what it calls "green innovation," such as electric vehicles and solar panels. It is also counting on growth in consumer electronics with its Viera flat-panel TVs and Lumix digital cameras.

The company showed a 3D camcorder for regular consumers Wednesday to watch homemade videos in 3D on special 3D TVs, which officials say are going to record sales growth starting this year.

Up to now, such 3D video cameras have targeted professionals.

But Panasonic faces tough competition in that area from South Korean electronics makers such as Samsung Electronics Co., as well as from local archrival Sony Corp.

Panasonic shares sank 7.7 percent to 1,077 yen after Japanese business daily The Nikkei reported on its buyout plans ahead of the official announcement. Panasonic Electric jumped 15 percent to 1,124 yen, and Sanyo shot up 27 percent in Tokyo

Panasonic returns to black as appliance sales boom

Published on Electronic Component News (<http://www.ecnmag.com>)

trading to 149 yen.

Source URL (retrieved on 04/16/2014 - 11:03pm):

<http://www.ecnmag.com/news/2010/07/panasonic-returns-black-appliance-sales-boom>