# Moody's sees slow recovery for Sony a concern

The Associated Press

Moody's in Japan called the slow pace of recovery in Sony Corp.'s profitability since the March earthquake and tsunami a "concern" for the company.

Specifically, Moody's said it is "concerned that the company's two core businesses, the TV and games segments, are under pressure due to supply-chain disruptions after the quake and security breaches following cyberattacks in April."

Sony has been trying to recover from a slew of embarrassing hacker attacks since April. In the biggest breach, hackers compromised the security of 100 million credit card-backed accounts on its PlayStation Network. The security breach, Moody's said, may weaken the "past strong momentum" in the company's video game business, which accounts for about 10 percent of total sales.

In addition, Moody's said that a shortage of electronics devices due to supply-chain disruptions "will delay the improvement of earnings in the TV business."

"And though the supply-chain disruption shows signs of easing, intense competition, sharp price declines and a strong yen will continue to weigh on the TV business," Moody's said.

Moody's did not make any changes to its ratings and said it will "continue to monitor whether Sony can restore its profitability in a timely manner."

Sony's U.S.-traded shares fell 26 cents to $26.84 in afternoon trading amid a broader market decline.

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