

Sony Plans to Cut 5,000 Jobs



Tokyo, February 6 (RHC)-- Japan's electronics giant Sony will cut some 5,000 jobs around the world, saying it would book great financial losses. The company claims that the job cuts, part of a restructuring plan, would save about \$1.0 billion annually.

The measure, which comes into effect in March 2015, will affect about 1,500 Sony employees in Japan and 3,500 of its workers in other countries. Sony also announced the sale of the giant's Vaio-brand PC division to Japan Industrial Partners (JIP).

The company said that it had decided to focus on "its mobile product lineup on smart phones and tablets and to transfer its PC business to a new company established by JIP that will enable its continuation."

Late last month, Moody's credit rating agency downgraded Sony's debt rating to "junk" status. The agency warned that the Japanese firm's profitability would most likely remain "weak and volatile." Moody's said that "the majority of Sony's core consumer electronics businesses -- such as TVs, mobile, digital cameras and personal computers -- to continue to face significant downward earnings pressure."

Sony is also facing major challenges from foreign rivals including South Korea's Samsung and U.S. giant Apple Inc.



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