

Sony Corporate Says Sony Pictures Los Angeles Screwed Up In A Big Number of Ways

Sony zaps jobs following poor results in US

By Claire Atkinson

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After a string of lukewarm movie releases from its Hollywood studio, Sony Corp.'s Tokyo headquarters is telling its US operation to slash costs.

Michael Lynton, Sony's top man in the US, has been implementing a host of cuts, including layoffs, The Post has learned.

Sony Corporation of America (SCA) has already pink-slipped roughly 100 from its 700-person workforce as it looks to consolidate back-office functions, sources said.

"Most of the senior vice president titles and above are going," said one source familiar with the moves. "The parent company is taking over. They don't need a corporate structure in the US."

SCA oversees Sony Pictures, Sony Music and Sony Electronics. The layoffs occurred a few weeks ago, sources confirmed.

"Over 100 is not accurate," an SCA rep said in a statement. "A small number of positions were eliminated at SCA earlier this summer to consolidate duplicative functions and create a more efficient and stronger organization moving forward. These changes at SCA have nothing to do with Sony Pictures whatsoever."

SCA houses business development, M&A, real estate, tax and communications staff. Many of the corporate lay-offs are folks who reported up to former SCA President Nicole Seligman.

Seligman departed in February and is now a prospective board member for Viacom. Sony Pictures Television Chairman Steve Mosko exited in June and is currently being courted by private equity firms and media outfits. Several of Mosko's loyalists are set to depart, sources said.

Marketing budgets on current movie projects have been slashed to get costs in line with spending, a separate source close to Sony said. Staffers are expecting layoffs at the studio, though no one knows how significant they will be.

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Led by Chief Executive Tom Rothman, Sony's motion picture group, which houses both the movie studio and the global TV production business, recently named a new chief financial officer, Philip Rowley.

"The new CFO has got his knife out," said one source. "It would have been helpful if 'Ghostbusters' got off OK."

The "Ghostbusters" remake brought in a respectable \$46 million on its opening weekend, but that may not be enough to counterbalance its \$144 million budget.

Another Sony movie, "Money Monster," did \$14.7 million on its opening weekend and banked \$91 million since its May 13 opening.

Sony is currently in fifth place in studio market share in 2016 with 6.6 percent, according to Boxofficemojo.com.

Sony Corp. CEO Kazuo Hirai told The Hollywood Reporter in June that it will take "two to three years to produce results" at the studio.

Meanwhile, the company's thriving gaming business has become much more integral to Sony's success than its studio, according to Bloomberg Intelligence analyst Jitendra Waral.

"The growth story is pivoted to gaming and you have a [PlayStation 4] upgrade and a VR [headset] initiative in the second half," he said.

Sony's ADRs are up 24 percent year-to-date. They closed Wednesday at \$30.52.