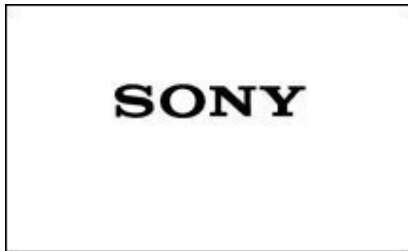


Sony enters digital SLR camera market



Sony, the first to market a digital camera in 1981, is making a late entry into the higher end segment of digital single-lens reflex cameras, targeting 10 percent of the global market, the Japanese company said Tuesday.

Sony Corp. is planning monthly production of 80,000 digital SLR cameras, dubbed the Alpha DSLR-A100, which are set to go on sale next month.

The product is a culmination of Sony's yearlong collaboration with Japanese precision equipment maker Konica Minolta Holdings Inc., which pulled out of the camera business in January and sold its assets in that sector to Sony.

Sony officials said the entry into SLR cameras was symbolic of how the company was trying to revive its brand image. And they're banking on Sony appeal as digital photos become enjoyed on high-definition TVs, shared with others through the PC and stored in DVD players, said marketing official Kiyoshi Shikano.

"This marks Sony's first entry into a new segment in a long while," he said. "Alpha is a new challenge for Sony."

Sony has been struggling to make a turnaround for the past year under Welsh-born Howard Stringer, the first foreigner to head the entertainment and electronics giant.

In recent years, Sony has taken a beating from rivals that came up with ingenious ideas like Apple Computer Inc.'s iPod portable digital music player, as well as from makers from other nations in Asia that can produce electronics gadgets cheaper.

SLR cameras, which use interchangeable lenses and offer more manual controls, tend to be favored by professional photographers but are also growing in popularity among camera enthusiasts. Sony already makes various simpler point-and-shoot digital cameras, including the popular Cyber-shot models.

More than three-quarters of all cameras sold today are digital, and digital images are expected to account for 90 percent of all professionally taken photos by 2010, compared with 70 percent now, according to InfoTrends, a U.S.-based marketing group.

But Sony faces tough competition in the higher-end SLR segment from longtime Japanese camera makers, including Canon Inc. and Nikon Corp.

The competition is more intense in the market for smaller, non-SLR digital cameras, where other makers such as Matsushita Electric Industrial Co., Casio Computer Co. and Olympus Optical Co. do battle.

The shift to digital technology has provoked dramatic changes in the camera industry, forcing Konica Minolta Holdings Inc., which traces its roots to 1873, to quit the camera business altogether.

Even Nikon said earlier this year it would stop making seven of its nine film cameras and concentrate on digital models.

The camera body of the DSLR-A100 will be available in July at a retail price of about 100,000 yen (US\$900; €700). Lenses range in price from about 50,000 yen (US\$450; €350) to 800,000 yen (US\$700; €540). The 10.2-megapixel camera will work with 19 Sony lenses.

Although Sony posted a profit for the fiscal year ended March 31, instead of its initial forecast for red ink, its losses for the final quarter at 66.5 billion yen (US\$580 million; €460 million) were worse than those for the same quarter the previous fiscal year, a testament to the serious restructuring it has been tackling.

Sony shares, which gained 50 percent to rise to around 6,000 yen (US\$54; €42) earlier this year, closed down 1.5 percent in Tokyo at 5,110 yen (US\$46; €35.5).

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