

ACCOUNTING in the headlines

What is the impact on cash from Sony selling its old Tokyo headquarters?

In March 2014, [Sony](#) signed a deal to sell its old Tokyo headquarters and a nearby building for \$156 million. This building served as Sony's headquarters from 1990 to 2007 and is thought of as the birthplace of the company, where Sony founders worked on the Walkman and Trinitron TV.

This building sale follows the sale of Sony's New York and Osaka buildings in 2013.

Sony has said that it expects a [loss of \\$1.1 billion](#) for its fiscal year 2014.

Questions

1. Would the sale of the Tokyo buildings be a *source* of cash or a *use* of cash for Sony?
2. In which section of Sony's statement of cash flows for 2014 would the proceeds from the sale of the Tokyo buildings be reported (operating, investing, or financing)?
3. In which section of Sony's statement of cash flows for 2014 would the operating loss be reported (operating, investing, or financing)?
4. Do you think the sale of Sony buildings in 2013 and 2014 is related to its projected operating loss? Why or why not?