

Japan's NEC revises up profit forecast

October 19 2012

Japanese information technology firm NEC said Friday it has revised its half year forecast from a loss to a healthy net profit, with reports saying demand for iPhones was helping the company.

For the first six months to September, NEC now predicts a net profit of 8 billion yen (\$100 million), compared with its earlier forecast of a net loss of 24 billion yen.

It expects an operating profit of 47 billion yen on sales of 1.45 trillion yen, against its previous forecast of 1 billion yen profit on sales of 1.40 trillion yen.

Shares in NEC surged 10.48 percent to close at 137 yen on the Tokyo Stock Exchange on Friday.

The [Nikkei business](#) daily said NEC's carrier network business has seen brisk sales due to demand for faster mobile [Internet networks](#) known as long-term evolution (LTE), used in Apple's flagship smartphone [iPhone 5](#).

"The LTE build out is certain to grow, fuelled by the bullish cell phone industry next-generation service rollout. This should continue to benefit NEC," a market analyst at a domestic brokerage told [Dow Jones Newswires](#).

NEC said in a statement that the upward revision was made "mainly due to the improvement in the IT solutions business and carrier network

business as a result of increased sales".

Continued efforts in structural reforms and in cost reductions as well as profit from the sale of liquid crystal display-related patents also contributed to the revised forecast, it said.

The company left unchanged its full-year forecast, projecting a net profit of 20 billion yen on sales of 3.15 trillion yen for the year to March 2013.

NEC plans to announce its results for the April-September period on October 26.

(c) 2012 AFP

Citation: Japan's NEC revises up profit forecast (2012, October 19) retrieved 24 May 2024 from <https://phys.org/news/2012-10-japan-nec-profit.html>

<p>This document is subject to copyright. Apart from any fair dealing for the purpose of private study or research, no part may be reproduced without the written permission. The content is provided for information purposes only.</p>
--