

NEC swings to annual net profit

April 26 2013

Japan's NEC cast off two straight years of losses Friday, reporting it had returned to the black after a painful restructuring including layoffs and a business overhaul.

The information technology giant said it earned 30.4 billion yen (\$308 million), reversing a loss of 110.3 billion yen a year earlier, as the firm chopped about 10,000 jobs and slashed production in its mobile phone division.

Operating profit was also strong at 114.6 billion yen, soaring 55.5 percent from the previous year, on sales of 3.07 trillion yen, up 1.1 percent on year, NEC said.

Once a chip-and-computer powerhouse of Japan's [electronics industry](#), NEC has tried to reinvent itself dramatically in recent years.

The company has reduced its exposure to volatile businesses such as semiconductors, while scaling back in the competitive personal computer and mobile phone segments where it struggles to compete globally.

It spun off its computer business into a joint venture with China's [Lenovo Group](#) and its struggling chip affiliate Renesas Electronics is now owned by an investment fund backed by the Japanese government.

NEC is now heavily focused on providing technology services to Japanese firms, selling equipment to [mobile carriers](#), and building up its

automotive vehicle [battery market](#).

For the year to March 2014, NEC said it is forecasting a net profit of 20 billion yen on revenue of 3.0 trillion yen.

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