

# NEC says swings back to profit after smartphone overhaul

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Japanese information technology firm NEC said Thursday it swung back to profit in the nine months to December, after exiting the smartphone market as part of a broader restructuring.

The company said it earned 22.8 billion yen (\$193 million) in the April-December period, reversing a 15.09 billion yen loss a year earlier.

Operating profit jumped to 35.6 billion yen from a profit of 23.7 billion yen a year ago, after the firm cut away its money-losing smartphone unit, but total revenue fell 3.9 percent to 2.0 trillion yen.

NEC fell into the red in 2013 due largely to losses stemming from the former smartphone powerhouse quitting the highly competitive sector, ending its development, production and sales of the devices.

It had merged its mobile phone handset operations with those of Casio Computer and Hitachi to fight off rising competition.

But the subsidiary still struggled in a market increasingly dominated by Apple and South Korean giant Samsung.

On Thursday, NEC pointed to a pickup in public-sector revenue, which rose 12 percent from a year earlier thanks to "steady sales from government offices and public services".

The company left its earnings forecast unchanged for the full year to

March, predicting a [net profit](#) of 35 [billion yen](#) on sales of 3.0 trillion [yen](#).

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