

## Japan's NEC falls into red, hit by smartphone exit

October 30 2013

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A model in Tokyo on October 15, 2013 displays the world's lightest 13.3-inch sized display notebook computer, NEC's Lavie Z LZ750/NS, weighing 795-grams

Japan's NEC said Wednesday it fell into the red in the six months to September because of lower sales and losses on its exit from the smartphone business.

NEC suffered a net loss of 26.2 billion yen (\$266 million) in the first half, after seeing a [profit](#) of 8.0 billion yen the year before.

The figures came after NEC incurred 14.24 billion yen in extraordinary losses as the one-time powerhouse in the mobile sector exited the business.

had merged its mobile phone handset operations with those of Casio Computer and Hitachi to fight off rising competition. But the subsidiary struggled to succeed in a market increasingly dominated by Apple and South Korean giant Samsung.

NEC said its April-September operating profit dived 99.2 percent to 379 million yen as [sales](#) fell 4.5 percent to 1.38 billion yen.

It left earnings outlooks unchanged for the full year to March 2014. It expects net profit to fall 34 percent from the previous year to 20 billion yen, operating profit to drop 13 percent to 100 billion yen and sales to slip 2.3 percent to 3.0 trillion [yen](#).

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