

NEC profit jumps 70% after smartphone overhaul

28 April 2015

Japan's NEC said Tuesday its fiscal-year net profit jumped nearly 70 percent, boosted by a weaker yen and growth in its public-sector infrastructure business.

Sales are expected to climb 5.6 percent to 3.1 trillion yen.

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The information technology company said net [profit](#) for the year to March came in at 57.3 billion [yen](#) (\$480 million), while [operating profit](#) rose about 21 percent to 128.1 billion yen.

Revenue slipped 3.5 percent to 2.9 trillion yen despite steady growth in its public-sector business, including the rollout of systems for field communication as well as radio systems for firefighters, as Tokyo pumps cash into updating Japan's creaking infrastructure.

The division supplies a range of products including for energy management and air traffic control.

NEC fell into the red in the first half of 2013 due largely to losses stemming from its departure from the highly competitive smartphone 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.

A weak yen has boosted the bottom line at firms with major markets overseas as it inflates the value of repatriated income.

NEC expects both sales and profit to grow in the fiscal year to March 2016.

It forecasted net and operating profit will rise to 65 billion yen and 135 billion yen, respectively.

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