Hitachi returns to profit, replacing CEO

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Japanese electronics conglomerate Hitachi Ltd. said Thursday it made a small profit last quarter after a massive loss a year earlier, thanks to cost cutting measures and lower restructuring charges.

Hitachi, which is still forecasting annual losses of over $2 billion, also announced a leadership shakeup involving its CEO and other top management, meant to improve the company's fortunes after years of lackluster performance.

For the October-December quarter, Hitachi posted a 21.88 billion yen ($240.7 million) profit, up from a 371.1 billion yen loss a year earlier. Revenues slipped to 2.16 trillion yen from 2.26 trillion yen.

The company narrowed its forecast of losses for the fiscal year ending March and now predicts a net loss of 210 billion yen ($2.3 billion), versus its previous forecast for a 230 billion yen loss. It maintained its revenue forecast at 8.70 trillion yen, but said it expects operating profits to rise as cost cutting measures continue to take effect.

Hitachi has long struggled with a bloated work force and a complex corporate structure with a vast array of subsidiaries, and has implemented various turnaround plans with little success.

On Thursday, the company said it was replacing its president and chief executive officer, Takashi Kawamura, along with several other senior managers for the next fiscal year starting in April.

Kawamura will be replaced by Hiroaki Nakanishi, a vice president who first joined the company in 1970 and has overseen various of its businesses in Europe and the U.S.

In Thursday trade, Hitachi shares fell 1.6 percent to 305 yen before the announcements.