

# Nintendo's annual profit rises 8.5 percent

May 7 2009, By YURI KAGEYAMA , AP Business Writer

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(AP) -- Nintendo Co. reported an 8.5 percent rise in annual profit as the video game maker shrugged off the global slowdown that has battered other Japanese manufacturers.

Nintendo, which did not break down quarterly numbers, said Thursday it racked up a record 279.1 billion yen (\$2.8 billion) profit for the fiscal year ended March 31, up from 257.3 billion yen the previous year.

Fiscal year sales edged up 9.9 percent to 1.839 trillion yen from 1.672 trillion yen, with overseas sales accounting for 87.5 percent, according to the Kyoto-based maker of Pokemon and Super Mario games.

"The video game industry, which was less impacted by the [economic downturn](#) than most industries, remained relatively stable in spite of the large consumer spending decline," Nintendo said in a statement.

The numbers were moderately better than the company's own forecasts, as well as those of analysts surveyed by Thomson Reuters.

Nintendo continued to be relatively bullish about the future, forecasting a 7.5 percent rise in net profit to 300 billion yen for the fiscal year through March 2010. But it expects sales to edge down 2.1 percent to 1.8 trillion yen, and [operating profit](#) to drop 11.8 percent to 490 billion yen.

Driving Nintendo's fortunes are its [Wii](#) home console and DS portable, which have proven popular around the world.

The Wii, with its wandlike remote controller, has hit 50 million unit sales at the fastest pace of any video game machine ever, reaching a cumulative 50.39 million since its launch in late 2006. The [Nintendo DS](#) has also done well, already selling 101.78 million.

The results showed that machine sales fell short of the company's targets, although it lowered its forecasts for shipments recently.

Nintendo had expected to ship 26.5 million Wii machines for the fiscal year ended March, but the number was 25.95 million. It sold 31.18 million DS machines during the fiscal year ended March, although it had expected to ship 31.5 million.

Nintendo expects to sell 26 million more Wii machines in the fiscal year ending March 31, 2010, and 30 million more DS machines, including some of the revamped DSi handsets, which went on sale in Japan late last year and last month in the U.S. and Europe.

Nintendo said it also had in the works promising game software, including "The Legend of Zelda: Spirit Tracks," expected to appeal to a wide range of game fans, for the DS, and "Wii Sports Resort" will be launched for the Wii worldwide.

In the fiscal year just ended, "Pokemon Platinum Version," "Mario Kart Wii" and "Brain Age 2" were strong sellers.

David Gibson of Macquarie Research in Tokyo expects Nintendo sales to continue to grow in both hardware and software in coming months.

"A forecast of stable hardware units would confirm our view that the game cycle has not peaked yet," he said in a recent report.

In software, Nintendo is planing to sell 180 million DS software games

around the world, down from 197 million for the fiscal year ended March 2009, while Wii software game sales are expected to pick up to 220 million from 204.5 million.

Nintendo has been trying to turn the Wii into a living room must-have by introducing video-on-demand and other Internet-linking services. It's the latest stage in its ongoing mission to woo people who aren't the usual gaming crowd, such as the elderly and women.

Nintendo stock rose 1.0 percent to 26,820 yen in Tokyo.

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