

# Nintendo profit drops for first time in 6 years

May 6 2010, By YURI KAGEYAMA , AP Business Writer

---



A man stands in front of Nintendo's game monitors in a showroom in Tokyo Thursday, May 6, 2010. The maker of Super Mario and Pokemon games said Thursday its net profit for the fiscal year ended March 31 fell 18 percent to 228.6 billion yen (US\$2.5 billion). (AP Photo/Shizuo Kambayashi)

(AP) -- Japanese game-maker Nintendo suffered its first drop in annual profit in six years, hit by a price cut for the Wii home console and sliding global sales.

The maker of Super Mario and Pokemon games said Thursday that net [profit](#) for the fiscal year ended March 31 fell 18 percent to 228.6 billion yen (\$2.5 billion).

Kyoto-based [Nintendo](#) Co., which does not break down quarterly

numbers, said annual sales slipped 22 percent to 1.434 trillion yen (\$15.4 billion).

Nintendo is expecting tough times to continue. It forecasts sales to fall 2.4 percent to 1.4 trillion yen (\$15 billion) for the fiscal year through March 2011 and expects earnings to slide 12.5 percent to 200 billion yen (\$2.2 billion).

But the company expressed confidence in the popularity of its game machines. It is banking on a handheld that allows for 3-D games without the need for special glasses and which is set to go on sale this fiscal year.

Nintendo is facing intense competition from Microsoft Corp. with its Xbox 360 and Japanese rival Sony Corp., which makes the PlayStation 3. Both are also bringing 3-D gaming to their home consoles although those games require special glasses.

Nintendo's handheld may also face a challenge from smartphones like the iPhone, which are increasingly popular and offer games and other entertainment content.

Company officials have repeatedly shrugged off such concerns, including new fears about the threat from the iPad, saying that they know the game business, and appeal to a wide range of players, including the elderly, and both men and women.

Sales of the Nintendo DS portable series, including the DSi XL with larger screens, which went on sale overseas in March, totaled 12.3 million in the Americas - breaking the game-machine sales record for the region, it said.

Worldwide, DS sales reached 27.1 million during the fiscal year, making for a cumulative 128.9 million sold, allowing it to surpass Nintendo's

Game Boy series, released in 1989, and up to now the top-selling handheld machine.

Nintendo acknowledged [Wii](#) home console sales struggled in the first part of the fiscal year, when consumer spending was weakened by the global financial crisis, but recovered for the crucial year-end shopping season.

For the year, Wii sales totaled 20.5 million for cumulative sales reaching 70.9 million - the largest ever for game consoles for Nintendo.

The game maker said that a strong yen also eroded its performance for the fiscal year ended March 2010.

Nintendo is expecting to sell 30 million DS machines and 18 million Wii's in the current fiscal year.

Nintendo reduced the price on the Wii - the world's top-selling home console - to 20,000 yen from 25,000 yen in Japan and to \$200 from \$250 in the U.S. before the shopping season to boost sales volume.

Nintendo said it had success with its game software, including "Wii Sports Resort," which sold 16 million worldwide, as well as "Wii Fit Plus" at nearly 13 million sold.

Nintendo shares slipped 3.3 percent to 30,650 yen (\$330) in Tokyo trading.

©2010 The Associated Press. All rights reserved. This material may not be published, broadcast, rewritten or redistributed.

Citation: Nintendo profit drops for first time in 6 years (2010, May 6) retrieved 24 April 2024 from <https://phys.org/news/2010-05-nintendo-profit-years.html>

This document is subject to copyright. Apart from any fair dealing for the purpose of private study or research, no part may be reproduced without the written permission. The content is provided for information purposes only.