

Nintendo's loss swells to \$925 mn for first half

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Customers try to play Nintendo's handheld game console 3DS at a Tokyo electric shop, July 2011. Nintendo said its net loss swelled to 70.3 billion yen (\$925 million) for the six months to September as it forecast a full-year loss, citing the strong yen and a lack of hit game titles.

Nintendo said Thursday its net loss swelled to 70.3 billion yen (\$925 million) for the six months to September as it forecast a full-year loss, citing the strong yen and a lack of hit game titles.

The Kyoto-based video giant said the loss compared with a 2.0 billion yen loss in the same period last year.

The company suffered an operating loss of 57.3 billion yen for the first half, reversing an [operating profit](#) of 54.2 billion yen a year earlier, while sales plunged 40.6 percent to 215.7 billion yen.

"Due to re-evaluation of assets in foreign currencies, exchange losses totalling 52.4 billion yen occurred," Nintendo said in a statement.

It also said the slump was "due to a small number of hit titles overall, a decrease of both hardware and [software sales](#)" and price cuts in its 3DS handheld console, as well as the Wii home [video game hardware](#).

Nintendo faces stiff competition from easily downloadable smartphone and [tablet computer](#) games and [social networking](#) websites.

It revised downward its full-year forecast, projecting a net loss of 20 billion yen for the 12 months to March 2012, compared with its earlier estimate of a 20 billion yen [net profit](#).

It slashed its sales forecast for the year to 790 billion yen from 900 billion yen expected earlier, with its full-year operating profit now seen at 1.0 billion yen against a previous estimate of 35.0 billion yen.

"The earnings forecast has been modified to reflect the trends of stronger-than-expected yen appreciation," Nintendo said, adding that it has revised its exchange rate assumptions from 80 yen to 77 yen against the dollar.

On Wednesday, the greenback hit a fresh post-World War II low of 75.71 yen.

The stronger yen erodes the [competitiveness](#) of Japanese exporters and puts further strains on the economy, which is already suffering in the aftermath of the devastating March earthquake and tsunami.

The 3DS, the world's first video game console with a 3-D screen that works without special glasses, globally sold 3.07 million units and racked up sales of 8.13 million software titles during the period.

The company announced price cuts for the console of up to 40 percent within six months of the product launch in order to boost weak sales, caused at least in part by a lack of heavy-hitting software.

Meanwhile, the Wii home console sold 3.35 million units and 36.45 million software titles.

In September, Nintendo unveiled 43 new titles to be released in Japan, including 33 for the 3DS. The titles include four new entries to the wildly popular Mario series and nine games for the [Wii](#) home console.

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