

Nintendo swings to profit in April-June, sales up 21%

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Japanese video game giant Nintendo said Wednesday it swung to a \$67 million net profit in the three months to June, owing to a jump in console sales and a weaker yen.

The company, whose chief executive Satoru Iwata died of cancer at the age of 55 this month, said its 8.28 [billion yen net profit](#) reversed a loss of 9.92 billion yen a year earlier.

It said it was still on track to book a net profit of 35 billion yen on sales of 570 billion yen in the year to March 2016.

Revenue in the latest quarter jumped 21 percent to 90.22 billion yen, as the company's new line-up of 3DS portable consoles "continued to expand their sales", it said in a statement.

"Foreign exchange gains totalling 10.8 billion yen due to depreciation of the yen" also contributed to the net profit, it said.

A weaker yen is a plus for Japanese exporters as it makes them relatively more competitive overseas and inflates the value of repatriated overseas profits

At the operating level Nintendo returned to a 1.15 billion yen profit from a 9.47 billion [yen](#) loss a year earlier.

The loss of Iwata has raised questions about Nintendo's future as it faces stiff competition from Sony and Microsoft in console sales, and as the trio battle the trend toward cheap—or sometimes free—downloadable games for smartphones and other mobile devices.

Iwata had argued that venturing into the overpopulated world of smartphones and tablets risked hollowing out the core business and cannibalising the hard-fought value of their game creations.

But he later acknowledged Nintendo had little choice but to move into new areas.

"The world is changing, so any company that is not coping with the change will fall into decline," he said.

Nintendo in March unveiled plans to buy a stake in Tokyo-based mobile gaming company DeNA as part of a deal to develop smartphone games based on Nintendo's host of popular characters.

"The loss of Iwata is unlikely to affect Nintendo's short-term performance, including its plan to launch mobile phone businesses with DeNA, as its short-term projects have already started," said Hideki Yasuda, an analyst at Ace Research Institute in Tokyo.

"But Nintendo will face challenges in the long run. Mr. Iwata has set a long-term agenda for the firm. The market is focusing on who the company will choose as his successor," he added.

A leading figure in the videogame industry, Iwata oversaw the success of Nintendo's Wii games console and a surge in revenue before [smartphone games](#) started eating away at its success.

Videogame enthusiasts and developers across the world paid tribute on social media at a news of Iwata's death.

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