

## Japan's Nintendo logs over \$234 mn loss despite Pokemon Go

July 27 2016

---



Video game giant Nintendo lost more than \$233 million on a stronger yen and lacklustre sales in the first quarter

Video game giant Nintendo said Wednesday it logged a huge first quarter net loss, despite global hoopla over the launch of Pokemon Go which came too late to boost figures.

The company lost more than \$233 million on a stronger [yen](#) and

lacklustre sales, and Nintendo warned last week that even the craze for the new app was unlikely to translate into bumper profits going forward.

The Super Mario maker said unit sales of its Wii U game consoles more than halved from the same quarter last year while a soaring yen helped erase profits.

The reporting period for the three months through the end of June was too early to include any rise from the launch earlier this month of the Pokemon Go mobile game that has swept the world, including Japan from last week.

"In terms of earnings, it's going to be a tough year for Nintendo since it has no plans to release new consoles or promising titles for now," said Hideki Yasuda, an analyst at Ace Research Institute in Tokyo.

The company is the creator of the Pokemon franchise but the game, released on July 5, was developed and distributed by US-based Niantic, a spinoff of Google.

Nintendo has invested in Niantic and owns about one-third of the Pokemon Company, which receives licensing fees for loaning out the brand.

Kyoto-based Nintendo said it posted a 24.53 billion yen (\$233 million) [net loss](#) for the first three months to the end of June.

That was far bigger than the average forecast of 3.4 billion yen in red ink in a poll of analysts by Bloomberg News.

Sales, meanwhile, slumped to 61.97 billion yen—down more than 30 percent on year.

The Pokemon Go phenomenon has helped boost Nintendo's share price, pushing it above 30,000 yen at one stage, as markets cheered the app's global success as a positive sign for the company's long-awaited move into the mobile games market.

Nintendo shares have since fallen back and closed down 5.44 percent to 22,305 yen on Wednesday. The earnings announcement came after the stock market closed.

Downloading the app is also free so Nintendo and others are banking on users gravitating to paid-for services in the game itself.

However Yasuo Imanaka, analyst at Rakuten Securities, said that a benefit for Nintendo from Pokemon Go is that all the attention it is drawing could attract more people to mobile gaming.

"It can involve not only the smart phone generation and video-[game](#) maniacs but also people who have not been interested in smart phone games," he said.

© 2016 AFP

Citation: Japan's Nintendo logs over \$234 mn loss despite Pokemon Go (2016, July 27) retrieved 2 May 2024 from <https://phys.org/news/2016-07-japan-nintendo-mn-loss-pokemon.html>

<p>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.</p>
--