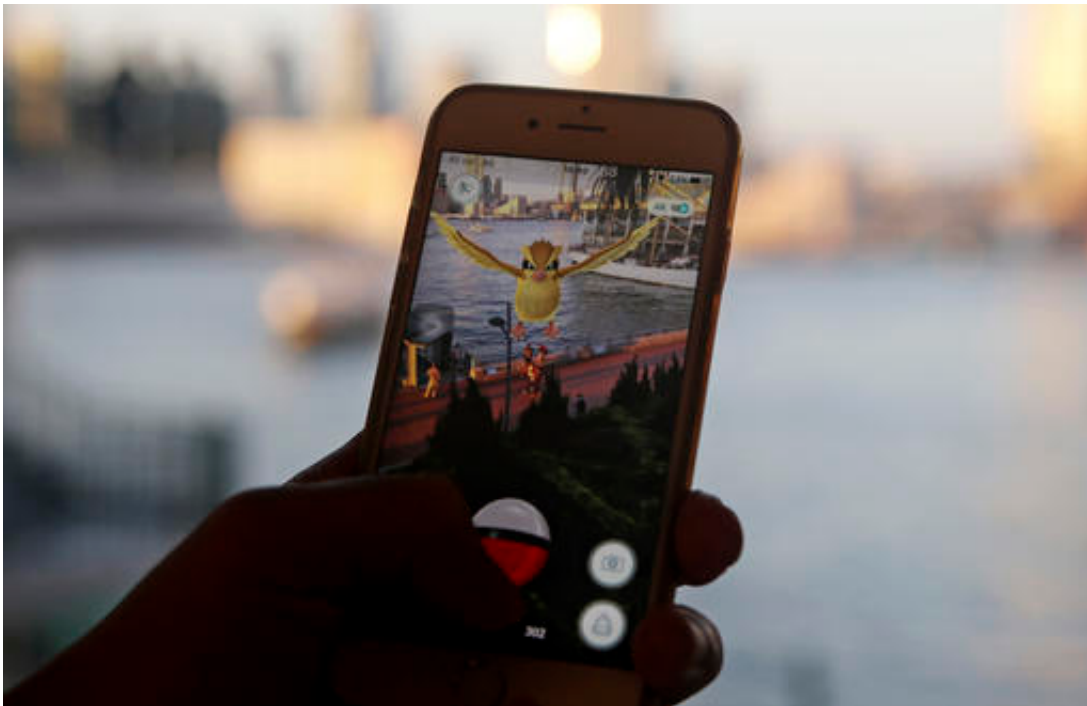


Pokemon Go boost limited as Nintendo cuts profit forecast

October 26 2016, by Elaine Kurtenbach



In this July 25, 2016, file photo, a fan maneuvers his smartphone as he plays "Pokemon Go" in Hong Kong. Japanese video game maker Nintendo Co. slashed its operating profit and sales forecasts for this fiscal year, despite the global success of "Pokemon Go." The maker of Super Mario games and the Wii U console said Wednesday, Oct. 26, 2016, that it booked a 62.7 billion yen (\$601.7 million) gain in April-September from its sale of the Seattle Mariners Major League Baseball team. (AP Photo/Kin Cheung, File)

"Pokemon Go" is giving only a modest boost to Japanese video game

maker Nintendo, which has slashed its operating profit and sales forecasts for this fiscal year citing lagging demand for game consoles like the Wii U.

The Kyoto-based maker of Super Mario games said Wednesday that its net profit in April-September was 38.3 billion yen (\$368 million), up 234 percent from the same period the year before. That was mainly due to a 62.7 billion yen (\$601.7 million) gain from its sale of the Seattle Mariners Major League Baseball team.

Nintendo said it expects its net profit for the year that ends March 31, 2017, to overshoot its earlier estimate thanks to that windfall.

Nintendo's earnings have suffered from disappointing sales of the Wii U and the 3DS handheld.

The company said a strengthening of the Japanese yen contributed to an operating loss of 5.9 billion yen (\$57 million) in April-September, compared with an operating profit of about 9 billion yen a year earlier. It cut its full-year operating profit forecast to 30 billion yen (\$288 million) from 45 billion yen.

Nintendo earns over 70 percent of its sales overseas. It booked a foreign exchange loss of 39.9 billion yen (\$383 million) in April-September, as net sales sank 33 percent to 136.8 billion yen (\$1.3 billion). It cut its sales forecast for the full year by 6 percent to 470 billion yen, citing a paucity of new game software titles.

After years of scoffing at the threat from smartphones, Nintendo did an about face last year, launching Pokemon Go during the summer.

The augmented reality game, its first success since making that decision, underlines Nintendo's potential. The game, which has players looking for

Pokemon creatures in their real-life wanderings, is a good match for the classic Pokemon story.

But Nintendo has warned the "Pokemon Go" perk will be limited. The Pokemon Co., a Nintendo affiliate, gets licensing fees and other compensation for the mobile game distributed by Niantic Inc., but that is having a limited impact on its income.

The "Pokemon Go" game became available after the first quarter ended, and playing it basically is all free. The company may get a boost from sales of other Nintendo products.

Last week, Nintendo it plans to release a new gaming system, Nintendo Switch, in March. The portable handheld device also can be used with a dock to connect to a TV.

Nintendo says an exact launch date, price and more specifics will be released later.

© 2016 The Associated Press. All rights reserved.

Citation: Pokemon Go boost limited as Nintendo cuts profit forecast (2016, October 26)
retrieved 26 April 2024 from

<https://phys.org/news/2016-10-pokemon-boost-limited-nintendo-profit.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> |
|--|