

Nintendo says working with Tencent to release Switch in China

April 26 2019, by Hiroshi Hiyama



Mario from Super Mario Bros. is already a well-known character

Japanese games giant Nintendo said Friday it was working with Chinese

internet firm Tencent to roll out its popular Switch console in China, confirming rumours that have dramatically pushed up its share price.

"Nintendo... is announcing that a collaboration is in progress with Tencent Holdings Limited... to release the Nintendo Switch video [game](#) system in China," the firm said in a brief statement.

The announcement came a day after Nintendo unveiled strong full-year profit numbers lifted by strong sales of blockbuster game titles for the Switch console.

Net profit for the [fiscal year](#) to March rose 39.0 percent from a year earlier to 194 billion yen (\$1.7 billion), on sales of 1.2 trillion yen, up 13.7 percent.

It said then that sales of Switch hardware were projected to rise six percent to 18 million units for the current fiscal year with plans to release "Super Mario Maker 2", "Pokemon Sword and Pokemon Shield" and "The Legend of Zelda".

The Switch has become a huge global seller, helped by the release of innovative, family-friendly titles that have wowed critics and gamers alike.

The company's shares have surged more than 12 percent since [news reports](#) said earlier this month that its games and the Switch would soon be available in China via Tencent.

Nintendo boss Shuntaro Furukawa was quoted as saying on Thursday that they wanted to grow China into a major market like Japan, the US, and Europe.

"But the size of the game console market is small. So it might not be

easy," said Furukawa.

'Definitely positive news'

However, Nintendo stock was off three percent in early exchanges on Friday, as analysts said they had been hoping for news of a new Switch console.

The Tencent news is "definitely positive news", said Hideki Yasuda, an analyst at Ace Research Institute in Tokyo.

"Shares are down because people wanted to square positions before the holidays."

After the closing bell on Friday, Japan will embark on an unprecedented 10-day holiday as special days off to celebrate the emperor's abdication combine with the traditional "Golden Week" break.

The long holiday has sparked some fears that Japanese markets will be volatile when they reopen as traders catch up with the news that has broken during that period.

The Switch has "enormous potential" to succeed in China, Yasuda said, partly due to the games' family-friendly nature.

"Chinese authorities have strict rules when it comes to consumer products... you cannot show running blood and corpses.

"Nintendo's games in general avoid grotesque depictions. I feel it should face an easier time than others when it applies for permits," the analyst told AFP.

The characters such as Mario are already well recognised, which should

also give it an edge.

And although most Chinese gamers play on PCs, Nintendo's software "offers benefits that PCs don't", said Yasuda.

"You can carry it around. You can hook it to TVs. It offers various styles of gaming. It has already been accepted around the world," he noted.

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Citation: Nintendo says working with Tencent to release Switch in China (2019, April 26)
retrieved 25 March 2023 from <https://phys.org/news/2019-04-nintendo-tencent-china.html>

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