

Nintendo says nine-month profit up nearly 25%, lifted by strong titles

31 January 2019

Nintendo said Thursday its net profit jumped nearly a quarter for the nine months to December, riding out the crucial holiday season thanks to blockbuster game titles for its popular Switch console.

The Kyoto-based games giant said "Pokemon" and "Super Smash Bros" gave an extra boost for the third quarter but it lowered its annual target for Switch sales due to slower-than-expected hardware shipments.

Its bottom-line profit rose 24.9 percent to 168.8 billion yen (\$1.6 billion) for the April-December period on sales of 997.3 billion yen, up 16.4 percent.

"During the holiday season, software was a great driver of hardware sales," the firm said in a statement.

For the year to March, it maintained its optimistic annual targets, expecting a net profit of 165 billion yen, up more than 18 percent from the previous fiscal year.

Its annual sales target also remained unchanged at 1.2 trillion yen.

Nintendo's latest portable console the Switch has become a huge global seller, helped by the release of innovative, family-friendly titles that have wowed critics and gamers alike.

Nintendo shares soared more than 15 percent in January on expectations that sales were solid for the Christmas shopping season.

"Nintendo has maintained momentum, displaying strong performance in the year-end shopping season—a crucial period for the game industry," said Hideki Yasuda, an analyst at Ace Research Institute in Tokyo.

Yasuo Imanaka, an analyst at Rakuten Securities in Tokyo, also said: "Strong sales of software led Nintendo's upbeat performance."

The company said three titles—"Super Mario Party", "Pocket Monster Let's Go! Pikachu / Let's Go Eevee" and "Super Smash Bros. Ultimate"—"became major hits with record sales, which helped invigorate the platform."

In particular, "Super Smash Bros. Ultimate,"—the latest in a series of crossover fighting video games featuring its star characters ranging from "Pikachu" to "Mario"—has already sold 12 million copies since its release in early December.

Nintendo is also hoping for hits with several new software titles coming out in the final quarter, including "New Super Mario Bros. U Deluxe."

But it lowered its hardware target to 17 million units sold by the end of this fiscal year, down from its earlier estimate of 20 million yen.

"We have to watch hardware sales with caution for the next fiscal year as shipments are not significantly strong," Rakuten's Imanaka said.

Smartphone games could pose competition "which could threaten existing game giants in the future", he added.

© 2019 AFP

APA citation: Nintendo says nine-month profit up nearly 25%, lifted by strong titles (2019, January 31) retrieved 20 September 2019 from <https://phys.org/news/2019-01-nintendo-nine-month-profit-strong-titles.html>

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.