

Nintendo logs nine-month profit leap, upgrades annual forecast

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Strong demand for Nintendo's Switch consoles has boosted the video game giant's earnings

Japanese gaming giant Nintendo on Thursday reported a leap in sales and profit for the nine months to December, upgrading its full-year profit

forecast on strong demand for its popular Switch console.

Net profit for April-December rose 16.4 percent from a year earlier to 196.4 billion yen (\$1.8 billion), with sales for the period up 2.5 percent at 1.0 trillion yen, partially thanks to the start of sales in China through Tencent in December.

The Kyoto-based firm revised upward its full-year forecasts, now projecting a [net profit](#) at 210 billion yen for the fiscal year to March, compared with its earlier estimate of 180 billion yen.

But it left its annual sales forecast unchanged at 1.25 trillion yen.

Sales of both its regular Switch platform and the Switch Lite—a smaller, cheaper version—are growing steadily with powerful titles, including the Pokemon series, though analysts are weighing the possible impact of the new coronavirus outbreak on production in China.

"Nintendo Switch Lite launched in September... and Nintendo Switch performed well without losing momentum, resulting in significant sales growth for the entire Nintendo Switch family," the company said in a statement.

The Switch, launched in March 2017, has become a huge global seller, helped by innovative, family-friendly titles that have wowed critics and gamers alike.

"Pokemon Sword" and "Pokemon Shield", both released in November, became multi-million-unit sellers, following big hits of "Super Mario Maker 2", "The Legend of Zelda: Link's Awakening", and "Fire Emblem: Three Houses"—all released in the first half.

"Sales of both software and hardware remain steady as Nintendo rode

out the key Christmas shopping season," Hideki Yasuda, an analyst at Ace Research Institute in Tokyo, told AFP before the announcement.

But it remains to be seen what the effects will be of the new coronavirus that has killed 170 people and hit Chinese operations of global manufacturers.

"It's a totally unexpected negative factor, which will affect Nintendo's production in the fourth quarter to some extent," Yasuda said.

"But the impact may be limited as Nintendo has a production base in Vietnam as well," he added.

Yasuda also said Nintendo Switch will enter "a crucial fourth year".

"Its past game consoles started declining three years after their launches," he said. "The next [fiscal year](#) is going to be a decisive year for Nintendo."

Rival Sony is scheduled to report its nine-month results next week as the PlayStation manufacturer is preparing for its next-generation PlayStation 5 console, which will launch later this year.

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