

Nintendo's profit climbs on Switch machine, software sales

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A man walks an advertisement of Nintendo Switch at an electronics retail chain store in Tokyo on Oct. 13, 2021. Japanese video game maker Nintendo recorded a 34% surge in fiscal first half profits Tuesday, Nov. 8, 2022, as products for its Switch console like "Splatoon 3," a paint-shooting game, sold well. Credit: AP Photo/Koji Sasahara

Japanese video game maker Nintendo recorded a 34% surge in its profit in the first half of the fiscal year on strong sales of products for its Switch console like "Splatoon 3," a paint-shooting game, the company said Tuesday.

That prompted the maker of Pokemon and Super Mario games to raise its profit forecast for the April-March fiscal year to 400 billion yen (\$2.7 billion), from an earlier projection for a 340 billion yen (\$2.3 billion) profit.

Even the better forecast is below what Nintendo earned in the last fiscal year, at 477.7 billion yen.

Entertainment companies got a boost from the pandemic because people tended to stay home more, instead of going out. That advantage is likely to wear off as coronavirus restrictions ease.

Japanese exporters like Nintendo are also getting a boost from a weaker yen, which lifts the value of their overseas earnings when translated into yen. The U.S. dollar, trading at about 110 Japanese yen a year ago, is now at nearly 150 yen.

Net profit at Kyoto-based Nintendo Co. totaled 230.45 billion yen (\$1.6 billion) during the six months through September, up from 171.8 billion yen the previous year.

First-half sales totaled 656.97 billion yen (\$4.5 billion), up 5% from 624.3 billion yen.

Nintendo said shortages of computer chips and other components caused by COVID-19-related lockdowns and other disruptions hurt production. Nintendo Switch sales fell 19% from the previous year to 6.68 million units.

Other Japanese companies like Sony Corp. and Toyota Motor Corp. have also been hurt by the chips shortage.

Other popular Nintendo game software released during the last six months include "Nintendo Switch Sports," which sold 6.15 million units, and "Mario Strikers: Battle League," at 2.17 million units.

The Mario Kart and Kirby games, released earlier, also sold briskly, as did offerings from outside publishers, resulting in 15 million-seller games for the Switch during the six month period.

Nintendo's software sales grew by 1.6% year-on-year to 95.41 million units. Downloadable online games also did well, it said.

Nintendo said the crunch in chips and other parts would likely improve gradually over the coming months. Christmas and the New Year's holidays are crucial times for Nintendo's business.

"By continually working to front-load production and selecting appropriate transportation methods in preparation for the [holiday season](#), we will work to deliver as many consoles as possible to consumers in every region of the world," the company said in a statement.

In [game](#) software, "Bayonetta 3" is set for release in October, followed by "Pokémon Scarlet" and "Pokémon Violet" in November, "Fire Emblem Engage" in January 2023, and "Kirby's Return to Dream Land Deluxe" in February 2023, according to Nintendo.

Nintendo expects to sell 19 million Switch consoles in the current [fiscal year](#). It earlier expected to sell 21 million Switch machines. Cumulative Switch sales around the world have topped 114 million machines.

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