

Japan games maker Nintendo's profit slips amid chips crunch

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A traveler walks past an advertisement featuring a Nintendo character at Narita airport in Narita near Tokyo Friday, June 10, 2022. Japanese video game maker Nintendo recorded a slight drop in in profit in April to December 2022 as it maintained strong sales of its Switch console games. Credit: AP Photo/Shuji Kajiyama, File

Japanese video game maker Nintendo recorded a slight drop in profit in April to December as it maintained strong sales of its Switch console games.

Nintendo Co.'s [net profit](#) in the first nine months of the [fiscal year](#) through March was 346 billion yen (\$2.6 billion), down 5.8% from 367 billion yen in the same period of the previous year.

Nintendo, the Kyoto-based maker of Pokemon and Super Mario video games, did not provide a breakdown of quarterly numbers.

Among the games selling well were "Splatoon 3," a paint-shooting [game](#), "Pokemon Scarlet and Violet" and "Nintendo Switch Sports."

Nintendo sold fewer machines compared to a year earlier, partly because a shortage in computer chips, a critical part for the console, due to disruptions from the pandemic crimped production, the company said.

Nintendo lowered its full fiscal year [profit](#) forecast to 370 billion yen (\$2.8 billion), from the 400 billion yen (\$3 billion) it had projected in November. Previous fiscal year profit was 477.7 billion yen.

This fiscal year's nine-month sales totaled nearly 1.3 trillion yen (\$10 billion), down 1.9% from a year earlier.

Nintendo earlier was more bullish about its performance because an increase in people staying home during the pandemic boosted its sales.

That advantage is likely wearing off now that pandemic restrictions have eased and people increasingly are traveling and working outside their homes both in Japan and the rest of the world.

Nintendo expects to sell 18 million Switch consoles in the current fiscal

year, down from an earlier forecast of 21 million Switch machines that was cut to 19 million machines late last year.

Cumulative Switch sales around the world have topped 122 million machines.

Japanese exporters like Nintendo have gotten a boost in profits from the yen's weakness against the U.S. dollar and other major currencies. That lifts the value of their overseas earnings when converted into yen.

The U.S. dollar is now trading at about 130 yen after rising to about 150 Japanese yen a few months ago.

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