

Nintendo stock plunges amid doubts about new Wii

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The new Nintendo Wii U gaming console is displayed on a video screen during a news conference at the E3 Gaming Convention in Los Angeles, Tuesday, June 7, 2011. (AP Photo/Chris Pizzello)

(AP) -- Nintendo stock plunged Wednesday in Tokyo amid doubts about the consumer appeal of the [Wii U](#), the much ballyhooed successor to its hit Wii video game console.

The demonstration of a prototype at the [Electronic Entertainment Expo](#), the gaming industry's annual convention, in Los Angeles on Tuesday, appeared to leave investors disappointed and skeptical.

Nintendo Co. shares closed at 16,970 yen (\$212.44), down more than 5 percent. The benchmark Nikkei 225 index ended flat.

Shuji Hosoi, analyst at Daiwa Securities Co., said it was unclear how successfully the machine would compete against smartphones and tablet PCs, when device-based gaming was already having to vie against social networks.

It is hard to see how it was different enough to woo users of smartphones and tablet PCs back to gaming, he said.

"People are puzzled whether this will really sell."

Hosoi acknowledged the stock price may recover if Kyoto-based Nintendo could convince investors that the new machine was as fun as smartphones and other new devices.

"But it would be extremely difficult because the competition is so intense," he said, referring to products such as the [iPad](#) from Apple Inc. and other rivals. "People have already changed."

The Japanese gaming giant behind Pokemon and Super Mario games said the Wii U will broadcast high-definition video and feature a touchscreen controller that can detect motion. Its price was not disclosed.

Nintendo president Satoru Iwata told E3 the new controller for Wii U, with its 6.2 inch built-in screen, means players don't necessarily have to watch the TV set.

Nintendo said the Wii U will be released between April and December next year and will be compatible with older Wii games and controllers.

Sales of the Wii have slumped for two years. But the [Wii](#) remains the overall top-selling home video game console against Microsoft Corp.'s [Xbox 360](#) and [Sony Corp.](#)'s [PlayStation 3](#).

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