

Nokia abandons Japan market

July 6 2011, By YURI KAGEYAMA , AP Business Writer

Nokia Corp., battered by the popularity of smartphones, is abandoning the Japanese market, after a brief foray with luxury cell phones costing as much as 20 million yen (\$250,000).

The Finnish handset maker is closing by the end of July its last store selling high-end Vertu cell phones in Ginza. Previously, it had four such stores in Japan, according to Tomoko Morinari of Sunny Side Up, a Tokyo public relations company that has Nokia as its client.

She declined to say when the decision to leave Japan was made or how many Vertu phones Nokia had sold in Japan.

Vertu said in a statement Wednesday that it was "withdrawing from the [Japanese market](#)" to better focus on priority businesses. It thanked business partners, said its Tokyo office will fold by the end of this year, but promised to continue to do work with Japanese craftsmen in its business elsewhere.

Nokia phones have never been that popular in Japan, where the [iPhone](#) from Apple Inc. is hugely popular in addition to offerings from Japanese electronics makers such as [Sharp Corp.](#)

Vertu [handsets](#) were billed as luxury items including one of lacquer by a Japanese craftsman decorated as a National Treasure that went for 20 million yen (\$250,000), Morinari said.

Last month, Nokia warned its second-quarter sales and margins are

expected to be much lower than anticipated because of global competition in both the high- and low-end markets.

Since 1998, Nokia has been the world's biggest seller of cell phones, but in the first quarter of this year Apple overtook it as the world's top handset vendor in revenue. Nokia's market share continues to fall, and at 29 percent in the first quarter, is at its lowest level since the late 1990s.

Even more damaging has been Nokia's inability to meet modern challenges of the smartphone market, the lucrative sector in the handset industry.

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