

Nintendo reports loss as Wii U sales languish

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In this Wednesday, July 31, 2013, file photo, a Super Mario figure greets visitors as children play at Nintendo showroom in Tokyo. Nintendo reports quarterly earnings on Wednesday, Oct. 30, 2013. (AP Photo/Shizuo Kambayashi, File)

Video game maker Nintendo sank to a loss in the latest quarter as sales of its Wii U game console continued to be eroded by a shift to gaming on smartphones and tablets.

The Kyoto-based maker of Pokemon and Super Mario reported an 8

billion yen (\$81 million) loss Wednesday for the three months ended Sept. 30. That virtually wiped out an 8.6 billion yen profit the previous quarter. Sales totaled 115 billion yen, a slight drop from the same quarter last year.

Quarterly Wii U sales nearly doubled to 300,000 units from 160,000 in the previous three months, but the total remained far short of the company's goal of 9 million units for the fiscal year ending next March.

The company's business has been shaken in recent years as more people play games on their smartphone and tablets. So far Nintendo has resisted offering its games on those platforms, but analysts say continued poor performance could force a change in strategy.

The company cut the price of Wii U console last month.

"The Wii U hardware still has a negative impact on Nintendo's profits," the company said, "owing mainly to its markdown in the United States and Europe."

Nintendo Co. recorded an operating loss of 23.3 billion yen in the first half. Despite the weak performance, it didn't change its forecasts for Wii U sales and a 100 billion yen operating profit.

Sales are likely to pick up over the year-end holiday season, but the Wii U will face competition from Sony's new PlayStation 4, due out next month, and Microsoft's coming Xbox One.

More information: Online:

www.nintendo.co.jp/ir/pdf/2013/131030e.pdf

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