

Nintendo reports loss on shaky Wii U sales

July 30 2014, by Yuri Kageyama

(AP)—Nintendo Co. sank to a worse-than-expected loss for the fiscal first quarter on lagging Wii U and 3DS video-game machine sales.

But the Japanese company behind Super Mario and Pokemon games stuck to its annual forecasts Wednesday for a 20 billion yen (\$196 million) profit on 590 billion yen (\$5.8 billion) sales.

Kyoto-based Nintendo reported a 9.92 billion yen (\$97.3 million) April-June loss compared with an 8.62 billion yen profit a year earlier.

Quarterly sales totaled 74.695 billion yen (\$732.3 million), down 8 percent from a year earlier.

Nintendo has been fighting to maintain profits amid competition from games and social media apps on smartphones and other mobile devices. The company also faces competition from rivals Sony Corp. and Microsoft Corp., which are aggressively pushing their game machines with holiday shoppers.

Nintendo has also faced questions about the health of its president, Satoru Iwata, after he was a no-show at the E3 video-game event in Los Angeles last month.

Last month, in a letter online to shareholders, he said he would miss the annual shareholders' meeting as well and said for the first time that he had surgery for a bile-duct "growth," found during a routine health checkup.

"I have already resumed my business by email and by other means, but it is anticipated that a little more time is needed for me to return to my regular work schedule," Iwata said in the letter.

The success of "Mario Kart 8" game software released in May is helping boost Wii U sales. Nintendo sold 510,000 of the machines for the April-June quarter, far better than 160,000 for the same period the previous year.

But Wii U is not as popular as Nintendo had initially hoped for, and it has missed earlier sales targets.

Sales of the 3DS handheld have plunged, dropping to 820,000 for the latest quarter from 1.4 million units a year ago.

Nintendo stuck to its latest target of selling 3.6 million Wii U and 12 million 3DS machines for the fiscal year through March 2015.

Nintendo said it will start offering strong game software in the months ahead, such as "Super Smash Bros. for Wii U."

The year-end and New Year's seasons are important sales periods for the company, practically determining its fortunes for the whole year.

Nintendo is also launching "amiibo," which are figures that connect and interact with games. How that might catch on is still unclear, but it holds potential for Nintendo.

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