

Nintendo steps into smartphone games market

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Japan's video game giant Nintendo president Satoru Iwata (right) shakes hands with Japanese online game operator DeNA president Isao Moriyasu during a press conference in Tokyo on March 17, 2015

Nintendo said Tuesday it was teaming up with a mobile gaming company to develop games for smartphones in what could be a turning point for the Japanese giant which has long refused to enter the soaring market.

The maker of the iconic Super Mario and Pokemon franchises plans to buy 10 percent of Tokyo-based DeNA for 22 billion yen (\$181 million) with the pair set to create games based on Nintendo's host of popular characters.

They did not release any details about which characters would be made available to play on smartphones or tablets.

But Nintendo's president Satoru Iwata said the two companies will launch at least one game this year, and added that the tie-up would help tap a new customer base.

"The world is changing, so any company that is not coping with the change will fall into decline," he told a Tokyo press conference.

Nintendo and DeNA also plan to develop an online membership service accessible from [mobile](#) devices.

But Iwata added that the announcement did not mark a move away from consoles, saying Nintendo would release a new system as a successor to its Wii U home console, released in late 2012.

"We want people to know that we're still passionate about the hardware business," he said.

Last year, Iwata said he would slash his salary in half as the company faced three straight years of operating losses, and Nintendo has been criticised for its longstanding refusal to license some of its iconic brands for use on mobile applications.

Nintendo has struggled as rivals Sony and Microsoft outpaced it in console sales, while the trio are also fighting off a trend toward cheap—or sometimes free—downloadable games for smartphones and

other [mobile devices](#).

The Japanese firm's April-December net profit, however, soared six-fold to \$504 million as a sharply weaker yen boosted its bottom line and helped offset slowing sales of its portable 3DS system.

Under the deal announced Tuesday, DeNA, which was founded in 1999, will acquire a 1.24 percent stake in Nintendo.

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