Nintendo's new Wii U game console hits shelves in Japan

The Associated Press

TOKYO, Dec. 8 (Kyodo) — Nintendo Co. on Saturday launched its new Wii U game console in Japan, aiming to stage a comeback in a gaming market characterized by the rapid growth of mobile phone-based social games.

With the launch of the successor to its video game console Wii launched in 2006, the Japanese game console and software maker seeks to turn its business around after posting a net loss of 43.20 billion yen in fiscal 2011 through March due to sluggish sales and the strong yen.

The device, equipped with a touch-screen controller called the Wii U GamePad that enables players to enjoy games on a television display or on the GamePad screen in lieu of a TV, are offered at suggested retail prices of 26,250 yen for an 8-gigabyte model and 31,500 yen for a 32-gigabyte model.

The new game console, already hitting North American and European markets, got off to a good beginning in the United States, selling more than 425,000 units in the first seven days since its launch on Nov. 18, according to Nintendo.

"It was a good start," said Nintendo spokesman Yasuhiro Minagawa, adding that the product has sold out in the United States. "We'd like to keep this momentum next year," he said.

Minagawa said the company expects the Wii U to draw brisk demand in Japan, based on the number of preorders.

The Kyoto-based company plans to sell 5.5 million units of the console and 24 million pieces of software by the end of March next year.

"The sales of the Wii U seem favorable so far," said Etsuko Tamura, an analyst at Mizuho Investors Securities Co., adding that the company may face a product shortage.

With demand currently exceeding supply, whether the company can achieve its sales target for the console will depend on if it can secure enough production capacity, she said.

Meanwhile, it is possible that Wii U business could start contributing to the company's performance from the next business year beginning in April, Tamura said. "The key would be whether it can expand its download content and other operations via the new console," she added.

The launch of the Wii U comes at a time when the Japanese gaming market is marked by the expansion of social games, which can be played on mobile phones and other portable devices without users needing to purchase consoles designed especially for game playing.

According to the game magazine publisher Enterbrain Inc., the domestic market for software for home game consoles shrank for the fifth straight year in 2011, down about 14 percent from the previous year to 274.6 billion yen, while the game software market for smartphones and other portable devices grew some 89 percent to 211.7 billion yen just for revenues generated from social networking services on the Web.

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