



Nintendo Co., Ltd.
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Minami-ku, Kyoto 601-8501
Japan

CONSOLIDATED FINANCIAL STATEMENTS

Nintendo Co., Ltd. and Consolidated Subsidiaries

FINANCIAL HIGHLIGHTS

Years ended March 31, 2003 and 2004

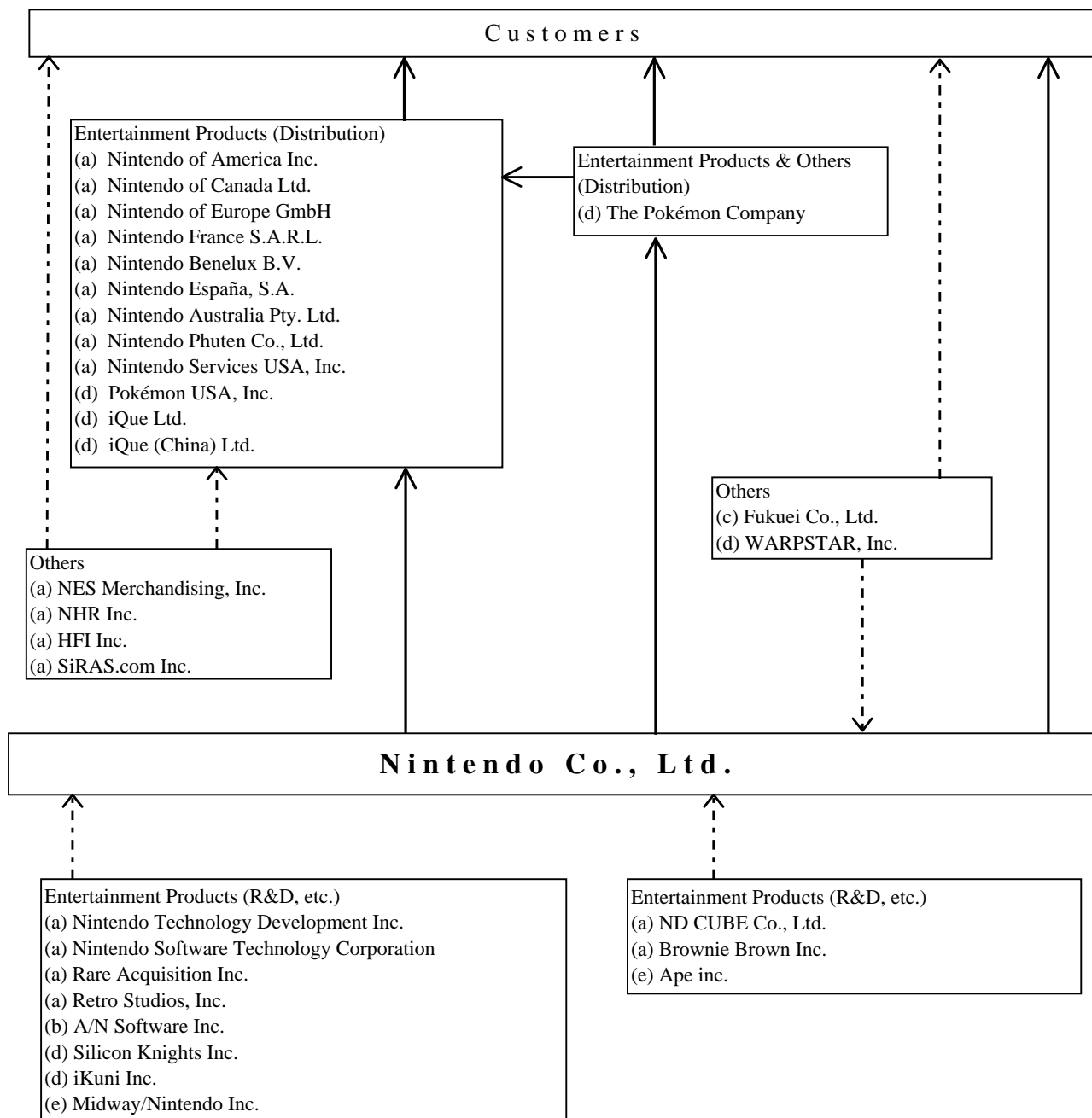
The amounts presented herein are rounded down under one million yen except as otherwise denominated.

Numbers in parentheses are negative.

	2003	Yen in Millions 2004
Net sales	504,135	514,805
Percentage change from previous year	(9.1%)	2.1%
Operating income	100,120	107,683
Percentage change from previous year	(16.0%)	7.6%
Income before income taxes and extraordinary items	95,040	50,140
Percentage change from previous year	(49.1%)	(47.2%)
Net income	67,267	33,194
Percentage change from previous year	(36.8%)	(50.7%)
Net income per share	¥482.15	¥246.93
Ratio of net income to net worth	7.4%	3.7%
Ratio of income before income taxes and extraordinary items to total assets	8.5%	4.8%
Ratio of income before income taxes and extraordinary items to net sales	18.9%	9.7%
Financial position		
Total assets (1)	1,085,519	1,010,031
Shareholders' equity (2)	890,369	890,247
Ratio of net worth to total assets (2) / (1)	82.0%	88.1%
Shareholders' equity per share	¥6,626.74	¥6,658.05
Cash flows		
Cash flows from operating activities	(23,557)	120,072
Cash flows from investing activities	36,088	(67,025)
Cash flows from financing activities	(102,620)	(24,088)
Cash and cash equivalents - Ending	748,600	720,114
Scope of consolidation and equity method application		
Consolidated subsidiaries		19
(of which, newly added ... 0 excluded ... 0)		
Non-consolidated subsidiary with equity method applied		1
Affiliates with equity method applied		7
(of which, newly added ... 1 excluded ... 1)		

COMPANY GROUP INFORMATION

Nintendo Co., Ltd. ("the Company") and its related companies, which are composed of the Company, twenty-one subsidiaries, and nine affiliates as of March 31, 2004, operate manufacturing and distribution of electronic entertainment products as a major business. Chart of business by the Company and its related companies are as follows.



—————> Distribution channel
 - - - - -> Other channel

The number of companies

(a) Consolidated subsidiaries -----	19
(b) Non-consolidated subsidiary with equity method applied -----	1
(c) Non-consolidated subsidiary with equity method non-applied -----	1
(d) Affiliates with equity method applied -----	7
(e) Affiliates with equity method non-applied -----	2

MANAGEMENT POLICY

1. Basic management policy

Nintendo Co., Ltd. ("the Company") and its consolidated subsidiaries (together with the Company, "Nintendo") strive to create new and unique hardware systems and interactive video games, in both the home entertainment and handheld gaming environments while maintaining a robust business structure. Nintendo seeks to provide consumers with a "world of entertainment", which is both innovative and fun with creative elements they have never experienced.

2. Basic policy of profit distribution

It is the Company's basic policy to internally provide the capital necessary to fund future growth, including capital investments, and to maintain a strong and liquid financial position in preparation for sudden changes in the business environment and intensified competition, while in regard to direct profit returns to our shareholders, stable dividend payouts are to be sustained, taking into account profit levels and payout ratios of each accounting period.

Estimated year-end cash dividend per share for the year ended March 31, 2004 is 70 yen (annual cash dividend at 140 yen). In terms of profit appropriation for the upcoming period, in accordance with the policy stated above, cash dividend per share is estimated to be within the range of 140 yen and 270 yen (payout ratio of 50% based on projected consolidated net income per share). Note that it will fluctuate within this range based on actual consolidated net income.

Retained earnings are maintained for effective use in research of new technology and development of new products, capital investments, enhancement of selling power, and common stock buyback whenever necessary.

3. View and policy of stock trading unit reduction

To expand the number of private investors and to make the Company's common stocks more widely available, the Company changed the number of stock trading units from 1,000 shares to 100 shares in 1991. A further reduction of stock trading units would require a significant amount of cost and will require in-depth consideration from cost-effectiveness and stock liquidity viewpoints.

4. Targeted management index

In the video game industry, it is essential to provide new and entertaining products consistently. Upon accomplishing this, the Company aims to improve its corporate value by sustaining robust growth and increasing profit.

Because the Company deals with entertainment products, which by nature hold many uncertainties in terms of development, and operates amid intense competition, flexible business decisions are made without being constrained by any specific management index.

5. Medium and long term management strategy and challenges

It has been twenty years since Nintendo's "Family Computer System" was first introduced in Japan. Today, it has become significantly more difficult than before to develop software that can satisfy demanding users around the world. Nintendo, which engages in a software driven software-hardware combined business, will strive to develop software which is easily accessible to anyone even without prior experience or knowledge and, at the same time, which includes profound game plays so that all players, regardless of their game skills, can play to their heart's content. To achieve that goal, Nintendo will utilize the wide variety of franchise characters and excellence in development built up over the years, strengthen the R&D framework including collaboration with third party developers, seek out new talent through the Nintendo Game Seminar, and devote itself to expand future revenue by creating more unique products that cannot be characterized as mere extensions of existing concepts such as "NINTENDO DS" (tentative), a new handheld console that is completely fresh in terms of idea, designed to provide an innovated gaming experience like never before.

6. Corporate governance

(1) Basic perspective on corporate governance

The Company must be governed continuously for the long term in a manner that will maximize corporate value, and at the same time, take into consideration not only the shareholders' best interests but also the interests of other stakeholders such as customers, business partners, employees, and local communities. In addition, it strives to establish and make enhancements to corporate ethics and the corporate governance system for higher transparency and soundness.

As a management organization system, the Company adopts the Board of Auditors system which has been specified in the commercial code. Due to the fact that the Company engages in an unique business, this present system is believed optimal in terms of carrying out operations.

(2) Implemented measures

In order for the Company to respond promptly to changes in the business environment, the term for directors is set at one year. The candidates are appropriately selected by the Board of Directors, which serves as a decision making body concerning significant matters including business judgements. Furthermore, the Management Committee which is comprised of six representative directors has been established, enabling swift decision making to enforce administrative action. The Board of Auditors serves as an auditing body. The Audit Office is established to assist and support this body. In addition, no business relationships exist between the Company and outside auditors.

Regarding internal auditing, the Internal Auditing Department is established directly under the president's jurisdiction. From a fair and unbiased standpoint that is independent from the operating division, it verifies the adequacy and effectiveness of the internal management framework of the Company's departments and its consolidated subsidiaries, and advises or proposes measures to modify or amend any significant issues. In addition, it adequately grasps the present state of any modification process and audits post-modified conditions. As for the activities of the Internal Auditing Department in the recent year, study sessions were held to communicate awareness relating to the necessity of internal control, internal auditing of each of the Company's departments and its consolidated subsidiaries was carried out, and a management system has been established in which audit reports received from Internal Auditing Departments of subsidiaries can be validated.

Significant legal issues and events concerning compliance are consulted with lawyers or other professionals in order to conduct necessary review. Furthermore, in addition to ordinary auditing, significant accounting issues are consulted and reviewed with accounting auditors whenever necessary.

As part of risk management, the Compliance Committee, an organization with the general manager of the General Affairs Division as chairperson, has been established. Efforts are made to promote ethics, fairness and compliance with regard to business activities which include inviting professionals from outside the company as lecturers to host company seminars designed for members of the board and employees.

OPERATING RESULTS

1. Review of operations

During the fiscal year ended March 31, 2004, the Japanese economy began to show indications of an upturn. Steady exports to the United States and China contributed to the improvement in corporate revenue and increase in capital investments. As for consumer spending, despite an overall lack of momentum, there was strong demand for digital home electric appliances. Relating to overseas economies, in the wake of the conflict in Iraq, the U.S. economy continued to expand steadily due to major tax cuts, low interest rates, and steady consumer spending resulting in part from the recovery of stock prices. In Europe, the appreciated Euro and record high temperatures throughout the continent last summer caused a temporary economic downward trend. Although, since the beginning of 2004, the economy gradually started to turnaround as production began to pick up in response to worldwide economic recovery.

In the video game industry, while hardware pricing competitions continue to take place globally, software unit sales in the domestic market continued to show a tendency to decline. Furthermore, the U.S. market, which maintained a high growth rate throughout the past, began to show signs of a slowdown, leaving the business environment in a crucial situation.

Under such circumstances, Nintendo has focused on expanding sales of its home entertainment console NINTENDO GAMECUBE, while introducing new gaming ideas under the theme "connectivity and integration" with its handheld system GAME BOY ADVANCE, as well as developing fascinating software that can be enjoyed by anyone around the world regardless of age, sex, or cultural background.

As a result, consolidated net sales for the fiscal year ended March 31, 2004 were 514.8 billion yen, including overseas sales of 382.4 billion yen, which accounted for 74.3% of total sales. Income before income taxes and extraordinary items was 50.1 billion yen resulting from revaluation of foreign currency assets inflicting 67.8 billion yen in foreign exchange loss. Net income was 33.1 billion yen.

With respect to sales by business category, in the electronic entertainment products division, the GAME BOY ADVANCE software titles "Super Mario Advance 4" and "Donkey Kong Country" were appreciated by a wide range of users and sold more than a million copies each this period. "Pokémon Ruby/Sapphire" which were released in Europe last July following their release in the United States and Japan, sold more than 6 million copies worldwide during the previous period and has surpassed the 6 million mark in worldwide unit sales this period as well. In Japan, "Pokémon Fire Red/Leaf Green", which provide a whole new gaming experience through wireless communication only available on handheld consoles, and the "FAMICOM MINI" series, which enables users to enjoy FAMICOM software on the GAME BOY ADVANCE, selling more than a million copies soon after launch, both became sensations. As a result, hardware sold excellently worldwide, particularly GAME BOY ADVANCE SP, which was released last spring.

As for console related products, despite facing a crucial situation in the first half of the period, steady sales were reported as a result of the markdown initiated on hardware worldwide since last September and the launch of various titles during the Christmas shopping season where demand is expected to be at its highest, including latest titles from popular franchises such as "Mario Kart: Double Dash!!" and "Mario Party 5", "Pokémon Colosseum", which offers players to experience vigorous battles with Pokémon they have nurtured in exclusive GAME BOY ADVANCE "Pokémon" titles, and "Donkey Konga", a family oriented rhythm action game that is played with "Taru-Konga" (an instrument style game controller).

Total consolidated net sales in the electronic entertainment products division were 512.2 billion yen, while sales in the other products division (playing cards, karuta, etc.) were 2.5 billion yen.

With respect to geographic segment information, sales in Japan were 361.7 billion yen including inter-segment sales of 224.0 billion yen. Operating income was 92.9 billion yen. Sales in the Americas were 252.0 billion yen including inter-segment sales of 1.7 billion yen. Operating income was 13.1 billion yen. Sales in Europe were 120.1 billion yen including inter-segment sales of 0.0 billion yen. Operating income was 2.9 billion yen.

During the fiscal year ended March 31, 2004, the Company bought back 645,200 shares of treasury stocks worth 5.3 billion yen.

2. Annual Outlook

In the future video game industry, it is likely that software development dependant on advancements in audio-visual technology will no longer be a key element in creating new and exciting video game software that mesmerizes people around the world.

Under such circumstances, Nintendo will continue to focus on developing software that can be enjoyed by a broad audience. In addition, aiming for a launch by the end of the year, development is underway for a new handheld device equipped with two LCD screens, two CPUs, multi-protocol wireless communication, touch screen, and voice recognition. "NINTENDO DS" (tentative) holds a completely different conception which will provide an unprecedented interactive entertainment experience that cannot be matched by existing systems. Furthermore, "club.nintendo", an online membership site introduced in Japan last October, with many users already signed up, will be actively utilized alongside elaborate sales promotion activities to expand revenue.

FINANCIAL POSITION

Inventory significantly decreased while cash and deposits, and investments in securities increased. Revaluation of foreign currencies resulting from the appreciated yen mainly caused total assets to decrease by 75.4 billion yen compared to the previous fiscal year-end to 1,010 billion yen. Total liabilities decreased by 75.4 billion yen compared to the previous fiscal year-end due to decrease in accounts payable and accrued income taxes. Shareholders' equity decreased by 0.1 billion yen compared to the previous fiscal year-end as translation adjustments served as a counterbalance to profit.

The ending balance of Cash and cash equivalents (collectively, Cash) as of March 31, 2004 was 720.1 billion yen (748.6 billion yen as of March 31, 2003). Net increase (decrease) of Cash and contributing factors during the fiscal year ended March 31, 2004 are as follows:

Cash flows from operating activities:

Net Cash provided by operating activities was 120.0 billion yen (23.5 billion yen used in the previous fiscal year). The decrease in accounts receivable and inventory caused the overall increase.

Cash flows from investing activities:

Net Cash used in investing activities was 67.0 billion yen (36.0 billion yen provided by in the previous fiscal year). Deposits to time deposits which had exceeded withdrawals caused the overall decrease.

Cash flows from financing activities:

Net Cash used in financing activities was 24.0 billion yen (102.6 billion yen used in the previous fiscal year) with dividend payout accounting for a significant portion.

Cash flow index trend:

	Year ended Mar 2000	Year ended Mar 2001	Year ended Mar 2002	Year ended Mar 2003	Year ended Mar 2004
Ratio of net worth to total assets	81.2	78.1	80.8	82.0	88.1
Ratio of total market value of stocks to total assets	274.0	271.9	240.8	118.8	139.1

[Notes] *Percentage figures are calculated on a consolidated basis.

*Total market value of stocks is calculated by multiplying closing price and number of outstanding stocks (excluding treasury stock) at the end of the period.

CONSOLIDATED BALANCE SHEETS

As of March 31, 2003 and 2004

Yen in Millions

	2003		2004		Change
[Assets]					
Current assets:		%		%	
Cash and deposits -----	748,650		767,270		18,619
Notes and trade accounts receivable -----	49,085		28,493		(20,591)
Marketable securities -----	8,266		17,375		9,108
Inventories -----	104,524		30,955		(73,569)
Deferred income taxes -----	31,158		24,911		(6,246)
Other current assets -----	33,088		24,784		(8,303)
Allowance for doubtful accounts -----	(5,463)		(3,028)		2,435
	969,309	89.3	890,761	88.2	(78,547)
Fixed assets:					
Property, plant and equipment					
Buildings and structures -----	21,959		19,918		(2,040)
Machinery, equipment and automobiles -----	1,804		1,292		(512)
Furniture and fixtures -----	2,463		1,948		(514)
Land -----	33,134		31,925		(1,209)
Construction in progress -----	7		-		(7)
	59,369	5.5	55,084	5.5	(4,284)
Intangible assets					
Software etc. -----	225	0.0	245	0.0	20
Investments and other assets					
Investments in securities -----	38,551		53,866		15,315
Deferred income taxes -----	14,712		9,189		(5,522)
Other investments and other assets -----	3,407		926		(2,481)
Allowance for doubtful accounts -----	(55)		(43)		12
	56,616	5.2	63,939	6.3	7,323
	116,210	10.7	119,269	11.8	3,059
Total -----	1,085,519	100.0	1,010,031	100.0	(75,488)

As of March 31, 2003 and 2004

Yen in Millions

	2003		2004		Change
[Liabilities]					
Current liabilities:		%		%	
Notes and trade accounts payable -----	96,475		57,945		(38,530)
Accrued income taxes -----	38,913		11,165		(27,748)
Reserve for bonuses -----	1,672		1,712		39
Other current liabilities -----	48,988		42,423		(6,564)
	186,050	17.2	113,246	11.3	(72,803)
Non-current liabilities:					
Non-current accounts payable -----	135		602		467
Reserve for employee retirement and severance benefits -----	7,070		3,992		(3,078)
Reserve for directors retirement and severance benefits -----	1,740		1,709		(31)
	8,946	0.8	6,304	0.6	(2,642)
Total liabilities -----	194,996	18.0	119,550	11.9	(75,445)
[Minority interests]					
Minority interests -----	153	0.0	232	0.0	79
[Shareholders' equity]					
Common stock -----	10,065	0.9	10,065	1.0	-
Additional paid-in capital -----	11,584	1.1	11,584	1.1	-
Retained earnings -----	950,262	87.5	964,524	95.5	14,262
Unrealized gains on other securities -----	2,254	0.2	6,650	0.7	4,395
Translation adjustments -----	(2,275)	(0.2)	(15,677)	(1.6)	(13,402)
Treasury stock, at cost -----	(81,521)	(7.5)	(86,898)	(8.6)	(5,377)
Total shareholders' equity -----	890,369	82.0	890,247	88.1	(121)
Total -----	1,085,519	100.0	1,010,031	100.0	(75,488)

CONSOLIDATED STATEMENTS OF INCOME

Years ended March 31, 2003 and 2004

Yen in Millions

	2003		2004		Change	
		%		%		%
Net sales -----	504,135	100.0	514,805	100.0	10,669	2.1
Cost of sales -----	308,525	61.2	307,233	59.7	(1,292)	(0.4)
Gross margin -----	195,609	38.8	207,572	40.3	11,962	6.1
Selling general and administrative expenses -----	95,488	18.9	99,888	19.4	4,399	4.6
Operating income -----	100,120	19.9	107,683	20.9	7,562	7.6
Other income						
Interest income -----	15,942		8,999		(6,942)	
Other -----	2,340		2,391		50	
Total other income -----	18,283	3.6	11,391	2.2	(6,892)	(37.7)
Other expenses						
Sales discount -----	387		396		9	
Equity in losses of non-consolidated subsidiary and affiliates -----	77		-		(77)	
Foreign exchange loss -----	22,620		67,876		45,256	
Other -----	278		661		382	
Total other expenses -----	23,363	4.6	68,934	13.4	45,570	195.0
Income before income taxes and extraordinary items -----	95,040	18.9	50,140	9.7	(44,900)	(47.2)
Extraordinary income -----	19,218	3.8	3,499	0.7	(15,719)	(81.8)
Extraordinary loss -----	943	0.2	674	0.1	(269)	(28.5)
Income before income taxes and minority interests -----	113,315	22.5	52,965	10.3	(60,350)	(53.3)
Provision for income taxes and enterprise taxes -----	45,018	9.0	12,298	2.4	(32,719)	(72.7)
Income taxes deferred -----	954	0.2	7,393	1.5	6,438	674.3
Minority interests -----	74	0.0	79	0.0	4	5.6
Net income -----	67,267	13.3	33,194	6.4	(34,073)	(50.7)

CONSOLIDATED STATEMENTS OF SURPLUS

Years ended March 31, 2003 and 2004

Yen in Millions

	2003	2004	Change
(Additional paid-in capital)			
Additional paid-in capital - Beginning -----	11,584	11,584	-
Additional paid-in capital - Ending -----	11,584	11,584	-
(Retained earnings)			
Retained earnings - Beginning -----	904,732	950,262	45,530
Increase			
Net income -----	67,267	33,194	(34,073)
Total increase -----	67,267	33,194	(34,073)
Decrease			
Cash dividends -----	21,248	18,761	(2,487)
Directors' bonuses -----	170	170	-
Loss on disposal of treasury stock -----	-	0	0
Decrease in retained earnings due to exclusion of affiliates with equity method applied -----	318	-	(318)
Total decrease -----	21,737	18,932	(2,805)
Retained earnings - Ending -----	950,262	964,524	14,262

CONSOLIDATED STATEMENTS OF CASH FLOWS

Years ended March 31, 2003 and 2004

Yen in Millions

	2003	2004
Cash flows from operating activities:		
Income before income taxes and minority interests -----	113,315	52,965
Depreciation and amortization -----	4,712	3,328
Increase (decrease) in allowance for doubtful accounts -----	105	(1,955)
Increase (decrease) in reserve for employee retirement and severance benefits -----	2,884	(2,708)
Interest and dividends income -----	(16,352)	(9,514)
Interest expenses -----	1	0
Foreign exchange loss (gain) -----	20,225	54,166
Unrealized loss on investments in securities -----	864	573
Equity in losses (earnings) of non-consolidated subsidiary and affiliates ----	77	(181)
Gain on sales of investments in affiliates -----	(19,082)	-
Decrease (increase) in notes and trade accounts receivable -----	(4,841)	16,070
Decrease (increase) in inventories -----	(58,671)	70,805
Increase (decrease) in notes and trade accounts payable -----	(15,445)	(33,527)
Increase (decrease) in consumption taxes payable -----	592	(221)
Directors' bonuses paid -----	(170)	(170)
Other, net -----	(31,738)	822
Sub-total	(3,520)	150,452
Interest and dividends received -----	16,500	9,566
Interest paid -----	(1)	(0)
Income taxes paid -----	(36,536)	(39,945)
Net cash provided by (used in) operating activities	(23,557)	120,072
Cash flows from investing activities:		
Increase in time deposits -----	(161,848)	(106,587)
Decrease in time deposits -----	190,693	56,192
Payments for acquisition of marketable securities -----	(37,300)	(21,446)
Proceeds from sale of marketable securities -----	38,535	10,650
Payments for acquisition of property, plant and equipment -----	(2,138)	(1,909)
Proceeds from sale of property, plant and equipment -----	364	1,680
Payments for investments in securities -----	(17,527)	(13,500)
Proceeds from investments in securities -----	8,659	5,014
Sales of business entities -----	17,265	1,008
Other, net -----	(614)	1,873
Net cash provided by (used in) investing activities	36,088	(67,025)
Cash flows from financing activities:		
Payments for acquisition of treasury stock -----	(81,387)	(5,346)
Cash dividends paid -----	(21,232)	(18,745)
Other, net -----	-	3
Net cash provided by (used in) financing activities	(102,620)	(24,088)
Effect of exchange rate changes on cash and cash equivalents -----	(24,206)	(57,444)
Net increase (decrease) of cash and cash equivalents -----	(114,295)	(28,486)
Cash and cash equivalents - Beginning -----	863,116	748,600
Decrease in cash and cash equivalents due to change in scope of consolidation -----	(220)	-
Cash and cash equivalents - Ending -----	748,600	720,114

BASIS OF CONSOLIDATED FINANCIAL STATEMENTS

1. Scope of consolidation

Consolidated subsidiaries	19	Nintendo of America Inc. Nintendo of Canada Ltd. Nintendo España, S.A. Rare Acquisition Inc. Nintendo Technology Development Inc. SiRAS.com Inc. ND CUBE Co., Ltd.	NES Merchandising, Inc. Nintendo of Europe GmbH Nintendo Benelux B.V. Nintendo Phuten Co., Ltd. Nintendo Software Technology Corporation Nintendo Services USA, Inc. Brownie Brown Inc.	NHR Inc. Nintendo France S.A.R.L. Nintendo Australia Pty. Ltd. Retro Studios, Inc.	HFI Inc.
Non-consolidated subsidiaries	2	Fukuei Co., Ltd.	A/N Software Inc.	Above two subsidiaries are both small in size and are excluded from consolidation as they do not have a significant impact on the consolidated financial statements in respect of combined assets, sales, net profit, and retained earnings.	

2. Scope of equity method companies

Non-consolidated subsidiary with equity method applied	1	A/N Software Inc.		
Affiliates with equity method applied	7	The Pokémon Company iKuni Inc. iQue (China) Ltd.	WARPSTAR, Inc. Pokémon USA, Inc.	Silicon Knights Inc. iQue Ltd.

iQue (China) Ltd. which was established during the previous fiscal year is included within the scope of equity method affiliates because it has begun operating as of this consolidated accounting period. Marigul Management Inc., because of liquidation, is excluded from the scope of equity method affiliates.

With respect to (equity method applied) companies with different year-end from consolidated year-end (i.e., March 31), their financial statements are used as they are.

3. Annual consolidated accounting period

Although fiscal year-end of Nintendo Phuten Co., Ltd. and Retro Studios, Inc. is December 31, which is different from consolidated year-end, their financial statements through that period are used for consolidation as the variance of year-end is within three months (so-called three month rule applied). Important transactions between their year-end and March 31 are reconciled for consolidation.

4. Accounting policies

(1) A valuation basis and method of important assets

(A) Securities

Held-to-maturity bonds	Amortized cost method (by straight-line method)
Other securities	
Marketable other securities	Market price method, based on the market value at balance sheet date (Losses are charged to income, and unrealized gains, net of tax are charged to shareholders' equity.)
Non-marketable other securities	Cost, determined by the moving average method

(B) Derivatives

Market price method

(C) Inventories

Lower of cost, determined by the moving average method, or market

- (2) Depreciation method for fixed assets
- (A) Tangible assets
- The Company and its domestic consolidated subsidiaries Declining balance method (Some equipment are depreciated over economic useful lives.)
Buildings (exclusive of structures) acquired on or after April 1,1998 are depreciated using the straight-line method.
- Overseas consolidated subsidiaries Straight-line method over the estimated useful lives of the assets
Estimated useful lives of the principal assets:
Buildings and structures: 3 to 60 years
- (B) Intangible assets Straight-line method
As for software for the in-house use, straight-line method based on usable period (mainly five years) is applied.
- (3) Allowance and reserve
- (A) Allowance for doubtful accounts
The Company and its domestic consolidated subsidiaries are calculating the allowance for general accounts receivables with actual percentage of credit losses to provide against losses on bad debts, as well as calculating the allowance for each doubtful account with an estimated amount of probable bad debts. Overseas consolidated subsidiaries are calculating the allowance for each doubtful account with an estimated amount of probable bad debts.
- (B) Reserve for bonuses
The Company is calculating the reserve for bonuses with estimated prorated amounts to be paid.
- (C) Reserve for employee retirement and severance benefits
The Company and certain consolidated subsidiaries are calculating the reserve for employee retirement and severance benefits with actuarially calculated amounts at the end of the consolidated accounting period, on the basis of the cost of retirement benefits and plan assets at the end of the fiscal year.
Prior service cost and actuarial calculation difference are processed collectively, mainly in the accrued year.
- (D) Reserve for directors retirement and severance benefits
The Company is calculating the reserve for directors retirement and severance benefits with estimated amounts to be paid at the year-end, based on the Company's internal rules.
- (4) Translation basis of assets and/or liabilities denominated in foreign currencies
Receivables and/or payables denominated in foreign currencies are translated into Japanese yen by the spot exchange rates at the end of the fiscal year. Exchange gains or losses are charged to income. With respect to financial statements of overseas consolidated subsidiaries, balance sheets are translated into Japanese yen at exchange rates in effect at the balance sheet date for assets and liabilities. The average exchange rates for the fiscal year are used for translation of revenue and expenses. The difference resulting from translation in this manner are shown as Minority Interests and Translation Adjustments in Shareholders' equity.
- (5) Lease transactions
Finance leases that are deemed to transfer ownership of the leased assets to lessees are to be capitalized, while other finance leases are accounted for as operating lease transactions.
- (6) Other
- (A) Consumption tax
The consumption tax and the provincial consumption tax are recorded as asset / liability when they are paid / received.

(B) Impairment on Fixed Assets

The Company adopted the Financial Accounting Standard on Impairment on Fixed Assets ("Views on Establishment of Accounting Standards for Impairment on Fixed Assets," issued by the Business Accounting Council on August 9, 2002) and its application guidelines No.6 issued on October 31, 2003. As these Accounting Standards may be applied to consolidated financial statements from the consolidated accounting year ending March 31, 2004, we are applying the standards and the guidelines from the year under review. Upon adopting these accounting standards, impairment losses are included in "Other" of Other expenses, and the effect on Income before income taxes and extraordinary items, and Income before income taxes and minority interests is minor.

In addition, total impairment losses have been directly deducted from the figures of each asset category based on the revised Consolidated Financial Statement Regulations.

5. Valuation of assets and liabilities of consolidated subsidiaries

Valuation of assets and liabilities of consolidated subsidiaries are under market price method.

6. Profit appropriation

The consolidated statements of surplus in respect of appropriated profit of consolidated companies are created accordingly to appropriated profit which has settled during the annual accounting period.

7. Funds in consolidated statements of cash flows

Funds (cash and cash equivalents) in consolidated statements of cash flows cover cash on hand, deposits which are able to be withdrawn at any time, and short-term investments which are able to be cashed easily, with little risk of value fluctuation, for which the term of redemption come within three months from the acquisition date.

NOTES

Consolidated balance sheets information;

	2003	Yen in Millions 2004
Accumulated depreciation of tangible assets	34,988	35,775

Consolidated statements of income information;

	2003	Yen in Millions 2004
Research and development costs	14,598	15,825

Consolidated statements of cash flows information;

Reconciliation between cash and cash equivalents - ending and the amount shown on consolidated balance sheets

	2003	Yen in Millions 2004
Cash and deposits account	748,650	767,270
Time deposits (over 3 months)	(50)	(47,156)
Cash and cash equivalents - Ending	748,600	720,114

SEGMENT INFORMATION

1. Segment information by business categories

Because the company operates predominantly in one industry segment which is accounted for over 90% of total sales, operating income and total assets, this information is not applicable to our business.

2. Segment information by seller's location

Yen in Millions

<u>Year ended March 31, 2003</u>	Domestic	The Americas	Europe	Other	Total	Eliminations or unallocated assets	Consolidated
1. Net sales and operating income							
Net sales							
(1) Sales to third parties	131,768	245,723	121,188	5,454	504,135	-	504,135
(2) Inter segment sales	350,911	2,397	19	-	353,328	(353,328)	-
Total	482,680	248,120	121,208	5,454	857,463	(353,328)	504,135
Cost of sales and selling, general and administrative expenses	396,929	237,662	120,997	5,885	761,474	(357,459)	404,014
Operating income (loss)	85,750	10,458	211	(431)	95,989	4,131	100,120
2. Assets	924,055	166,493	85,152	3,908	1,179,609	(94,089)	1,085,519

<u>Year ended March 31, 2004</u>	Domestic	The Americas	Europe	Other	Total	Eliminations or unallocated assets	Consolidated
1. Net sales and operating income							
Net sales							
(1) Sales to third parties	137,636	250,273	120,128	6,765	514,805	-	514,805
(2) Inter segment sales	224,084	1,750	4	-	225,839	(225,839)	-
Total	361,721	252,024	120,132	6,765	740,644	(225,839)	514,805
Cost of sales and selling, general and administrative expenses	268,797	238,851	117,145	6,742	631,536	(224,415)	407,121
Operating income	92,924	13,172	2,987	23	109,107	(1,423)	107,683
2. Assets	854,881	145,820	43,025	2,374	1,046,101	(36,070)	1,010,031

3. Sales to overseas customers

Yen in Millions

<u>Year ended March 31, 2003</u>	The Americas	Europe	Other	Total
Sales to overseas customers	246,879	121,197	9,177	377,254
Consolidated net sales				504,135
Percentage of sales to overseas customers to consolidated net sales	49.0%	24.0%	1.8%	74.8%
<u>Year ended March 31, 2004</u>	The Americas	Europe	Other	Total
Sales to overseas customers	251,143	120,136	11,208	382,488
Consolidated net sales				514,805
Percentage of sales to overseas customers to consolidated net sales	48.8%	23.3%	2.2%	74.3%

LEASE TRANSACTIONS INFORMATION

This information is excluded, since it is disclosed on EDINET.

TAX EFFECT ACCOUNTING INFORMATION

Year ended March 31, 2004

Yen in Millions

1. Significant components of deferred tax assets and liabilities are summarized as follows

	<u>2004</u>
Deferred tax assets:	
Inventory - write-downs and elimination of unrealized profit	11,351
Other A/P and accrued expenses	9,263
Research and development costs	4,941
Unrealized loss on land	2,571
Reserve for employee retirement and severance benefits	1,657
Unrealized loss on investments in securities	1,417
Depreciation	1,350
Allowance for doubtful accounts	1,021
Other	8,149
Gross deferred tax assets	<u>41,723</u>
Valuation allowance	(1,276)
Total deferred tax assets	<u>40,447</u>
Deferred tax liabilities:	
Unrealized gains on other securities	(4,545)
Undistributed retained earnings on overseas subsidiaries	(1,113)
Other	(747)
Total deferred tax liabilities	<u>(6,406)</u>
Net deferred tax assets	<u>34,041</u>

2. Reconciliation of the statutory tax rate and the effective tax rate

Statutory tax rate	42.0%
Increase (decrease) in taxes resulting from:	
Expenses not deductible for tax purposes	0.4%
Extra tax deduction on expenses for research	(1.4%)
Differences in consolidated foreign subsidiaries' tax rate	(2.6%)
Other	(1.2%)
Effective tax rate	<u>37.2%</u>

SECURITIES INFORMATION

As of March 31, 2003

Yen in Millions

1. Marketable other securities

	Acquisition Cost	Book Value	Difference
(book value exceeds acquisition cost)			
Stocks	11,727	15,516	3,789
(book value does not exceed acquisition cost)			
Stocks	1,445	1,138	(306)
Total	13,172	16,654	3,482

2. Contents and book value of major non-marketable securities

(1) Held-to-maturity bonds		
Commercial paper		8,266
(2) Other securities		
Preferred subscription certificate		11,000
Unlisted bonds		6,000

3. Held-to-maturity securities and held-to-maturity bonds

	Due in one year or less	Due after one year through five years
Commercial paper	8,266	-
Corporate bonds	-	6,000
Total	8,266	6,000

As of March 31, 2004

Yen in Millions

1. Marketable other securities

	Acquisition Cost	Book Value	Difference
(book value exceeds acquisition cost)			
Stocks	19,427	30,621	11,193
Bonds	1,070	1,072	1
Sub-Total	20,498	31,694	11,195
(book value does not exceed acquisition cost)			
Stocks	248	220	(27)
Bonds	3,293	3,281	(12)
Sub-Total	3,541	3,501	(39)
Total	24,039	35,195	11,156

2. Contents and book value of major non-marketable securities

(1) Held-to-maturity bonds		
Commercial paper		17,375
(2) Other securities		
Preferred subscription certificate		11,000
Unlisted bonds		3,536

3. Held-to-maturity securities and held-to-maturity bonds

	Due in one year or less	Due after one year through five years
Commercial paper	17,375	-
Government bonds, etc.	-	7,890
Total	17,375	7,890

DERIVATIVE TRANSACTIONS INFORMATION

This information is excluded, since it is disclosed on EDINET.

RETIREMENT AND SEVERANCE BENEFITS INFORMATION

Outline of retirement benefit plan

The Company to file consolidated financial statements has approved pension scheme and lump-sum severance payments plan as defined benefit plan. Certain consolidated subsidiaries have defined contribution plan as well as defined benefit plan. It may also pay extra retirement allowance to employees who have distinguished services.

As of March 31, 2003

Yen in Millions

	<u>2003</u>
1. Retirement benefit obligation at the end of year	
a. Retirement benefit obligation	(18,055)
b. Plan assets	9,053
c. Unfunded retirement benefit obligation	(9,002)
d. Unrecognized actuarial difference	1,118
e. Unrecognized prior service cost (decrease of obligation)	812
f. Net pension liability recognized in the consolidated balance sheet	(7,070)
g. Reserve for employee retirement and severance benefits	<u>(7,070)</u>
2. Retirement benefit cost for the year	
a. Service cost	1,124
b. Interest cost	547
c. Expected return on plan assets	(255)
d. Amortization of actuarial difference	2,706
e. Amortization of prior service cost	217
f. Retirement benefit cost	<u>4,341</u>
g. Other	521
h. Total	<u>4,863</u>
3. Basis of calculation	
a. Method of attributing benefits to years of service	Straight-line basis
b. Discount rate	1.0% to 6.5%
c. Expected return rate on plan assets	0.0% to 8.0%
d. Amortization years of prior service cost	one to ten years
e. Amortization years of actuarial difference	Mainly fully amortized in the same fiscal year as incurred

As of March 31, 2004

Yen in Millions

	2004	
1. Retirement benefit obligation at the end of year		
a. Retirement benefit obligation	(17,188)	
b. Plan assets	11,428	
c. Unfunded retirement benefit obligation	(5,759)	
d. Unrecognized actuarial difference	1,698	
e. Unrecognized prior service cost (decrease of obligation)	69	
f. Net pension liability recognized in the consolidated balance sheet	(3,992)	
g. Reserve for employee retirement and severance benefits	(3,992)	
2. Retirement benefit cost for the year		
a. Service cost	1,252	
b. Interest cost	525	
c. Expected return on plan assets	(149)	
d. Amortization of actuarial difference	(1,267)	
e. Amortization of prior service cost	(210)	
f. Retirement benefit cost	150	
g. Other	472	
h. Total	622	
3. Basis of calculation		
a. Method of attributing benefits to years of service		Straight-line basis
b. Discount rate		1.0% to 6.1%
c. Expected return rate on plan assets		0.0% to 8.0%
d. Amortization years of prior service cost		Mainly fully amortized in the same fiscal year as incurred
e. Amortization years of actuarial difference		Mainly fully amortized in the same fiscal year as incurred

PRODUCTION, ORDER AND SALES INFORMATION

Years ended March 31, 2003 and 2004

Yen in Millions

1. Production

	2003	2004
Electronic entertainment products		
(Hardware)		
Handheld -----	128,902	200,502
Console -----	171,730	14,368
Others -----	39,156	24,835
	339,789	239,707
(Software)		
Handheld -----	129,830	119,746
Console -----	107,204	94,727
	237,034	214,474
Sub-Total	576,824	454,181
Other products	704	1,506
Total	577,528	455,687

2. Order

	2003		2004	
	Orders received	Orders in hand	Orders received	Orders in hand
Electronic entertainment products				
Handheld -----	55,133	2,802	50,852	3,369
Console -----	33,962	596	22,727	161
Total	89,096	3,398	73,580	3,531

3. Sales

	2003	2004
Electronic entertainment products		
(Hardware)		
Handheld -----	132,246	185,175
Console -----	101,554	54,366
Others -----	41,453	49,679
	275,254	289,220
(Software)		
Handheld -----	123,369	132,911
Console -----	99,325	86,262
Royalty income and contents income -----	3,978	3,015
Others -----	476	881
	227,149	223,070
Sub-Total	502,404	512,291
Other products	1,730	2,513
Total	504,135	514,805

Nintendo Co., Ltd.

11-1 Kamitoba hokotate-cho,
Minami-ku, Kyoto 601-8501
Japan

NON-CONSOLIDATED FINANCIAL STATEMENTS**FINANCIAL HIGHLIGHTS**

Years ended March 31, 2003 and 2004

The amounts presented herein are rounded down under one million yen except as otherwise denominated.

Numbers in parentheses are negative.

	Yen in Millions	
	2003	2004
Net sales -----	482,162	360,961
Percentage change from previous year -----	7.8%	(25.1%)
Operating income -----	85,578	92,533
Percentage change from previous year -----	31.6%	8.1%
Income before income taxes and extraordinary items -----	97,969	31,694
Percentage change from previous year -----	(32.3%)	(67.6%)
Net income -----	61,157	16,020
Percentage change from previous year -----	(23.9%)	(73.8%)
Net income per share -----	¥438.25	¥118.52
Ratio of net income to net worth -----	7.4%	2.0%
Ratio of income before income taxes and extraordinary items to total assets --	9.8%	3.4%
Ratio of income before income taxes and extraordinary items to net sales -----	20.3%	8.8%
Total cash dividends per share -----	¥140.00	¥140.00
Interim -----	¥70.00	¥70.00
Year-end -----	¥70.00	¥70.00
Payout ratio -----	31.9%	118.1%
Ratio of dividends to net worth -----	2.4%	2.3%
Financial position		
Total assets (1) -----	967,349	892,960
Shareholders' equity (2) -----	806,724	802,830
Ratio of net worth to total assets (2)/(1) -----	83.4%	89.9%
Shareholders' equity per share -----	¥6,004.07	¥6,004.14

[Notes]

Date of Shareholders' Meeting : June 29, 2004

Average number of shares issued and outstanding for year ended March 31, 2004 : 133,740,532 shares

Number of shares issued and outstanding as of March 31, 2004 (excluding treasury stock) : 133,684,445 shares

Number of treasury stocks as of March 31, 2004 : 7,984,555 shares

Stock trading unit : 100 shares

Change of accounting policies : See page 28,8-(B)

NON-CONSOLIDATED BALANCE SHEETS

As of March 31, 2003 and 2004

Yen in Millions

	2003		2004		Change
[Assets]					
Current assets:		%		%	
Cash and deposits -----	662,810		662,944		134
Notes receivable -----	1,606		562		(1,043)
Trade accounts receivable -----	71,271		33,631		(37,639)
Inventories -----	18,578		13,241		(5,337)
Deferred income taxes -----	23,597		16,965		(6,631)
Other accounts receivable -----	12,314		8,176		(4,138)
Other current assets -----	37,861		13,197		(24,663)
Allowance for doubtful accounts -----	(109)		(56)		53
	827,931	85.6	748,664	83.8	(79,266)
Fixed assets:					
Property, plant and equipment					
Buildings and structures -----	15,328		14,707		(620)
Machinery and equipment -----	101		78		(22)
Automobiles -----	41		31		(10)
Furniture and fixtures -----	1,075		857		(217)
Land -----	25,596		25,249		(346)
Construction in progress -----	4		-		(4)
	42,147	4.4	40,925	4.6	(1,222)
Intangible assets					
Software -----	104		164		60
Other intangible assets -----	31		6		(25)
	136	0.0	170	0.0	34
Investments and other assets					
Investments in securities -----	36,319		51,600		15,280
Investments in affiliates -----	44,319		39,788		(4,530)
Non-current receivable -----	5,349		3,374		(1,974)
Deferred income taxes -----	13,216		10,989		(2,226)
Other investments and other assets -----	3,280		780		(2,500)
Allowance for doubtful accounts -----	(5,350)		(3,334)		2,016
	97,134	10.0	103,199	11.6	6,064
	139,418	14.4	144,295	16.2	4,876
Total -----	967,349	100.0	892,960	100.0	(74,389)

As of March 31, 2003 and 2004

Yen in Millions

	2003		2004		Change
[Liabilities]					
Current liabilities:		%		%	
Notes payable -----	6,922		4,868		(2,054)
Trade accounts payable -----	84,920		51,644		(33,276)
Other accounts payable -----	13,643		8,934		(4,708)
Accrued income taxes -----	31,686		4,123		(27,563)
Advances received -----	628		542		(86)
Reserve for bonuses -----	1,672		1,712		39
Other current liabilities -----	16,064		14,520		(1,544)
	155,538	16.1	86,345	9.7	(69,193)
Non-current liabilities:					
Non-current accounts payable -----	135		602		467
Reserve for employee retirement and severance benefits -----	3,211		1,472		(1,738)
Reserve for directors retirement and severance benefits -----	1,740		1,709		(31)
	5,086	0.5	3,784	0.4	(1,302)
Total liabilities -----	160,625	16.6	90,129	10.1	(70,496)
[Shareholders' equity]					
Common stock -----	10,065	1.0	10,065	1.1	-
Additional paid-in capital -----	11,584	1.2	11,584	1.3	-
Retained earnings -----	864,341	89.4	861,429	96.5	(2,911)
Legal reserve -----	2,516		2,516		-
Optional reserve -----	560,050		660,049		99,998
Special reserve -----	50		49		(1)
General reserve -----	560,000		660,000		100,000
Unappropriated -----	301,774		198,864		(102,910)
Unrealized gains on other securities -----	2,254	0.2	6,650	0.7	4,395
Treasury stock, at cost -----	(81,521)	(8.4)	(86,898)	(9.7)	(5,377)
Total shareholders' equity -----	806,724	83.4	802,830	89.9	(3,893)
Total -----	967,349	100.0	892,960	100.0	(74,389)

NON-CONSOLIDATED STATEMENTS OF INCOME

Years ended March 31, 2003 and 2004

Yen in Millions

	2003		2004		Change	
		%		%		%
Net sales -----	482,162	100.0	360,961	100.0	(121,201)	(25.1)
Cost of sales -----	355,485	73.7	227,826	63.1	(127,658)	(35.9)
Gross margin -----	126,676	26.3	133,134	36.9	6,457	5.1
Selling, general and administrative expenses -----	41,098	8.6	40,601	11.3	(497)	(1.2)
Operating income -----	85,578	17.7	92,533	25.6	6,954	8.1
Other income -----	33,919	7.0	9,678	2.7	(24,240)	(71.5)
Interest income and dividends -----	32,719		8,613		(24,106)	
Other -----	1,199		1,065		(134)	
Other expenses -----	21,528	4.4	70,517	19.5	48,989	227.6
Sales discount -----	396		410		13	
Foreign exchange loss -----	21,093		69,718		48,624	
Other -----	38		388		350	
Income before income taxes and extraordinary items -----	97,969	20.3	31,694	8.8	(66,275)	(67.6)
Extraordinary income -----	126	0.0	2,110	0.5	1,983	-
Extraordinary loss -----	895	0.1	5,835	1.6	4,940	551.7
Income before income taxes -----	97,200	20.2	27,968	7.7	(69,231)	(71.2)
Provision for income taxes and enterprise tax -----	37,061	7.7	6,095	1.7	(30,966)	(83.6)
Income taxes deferred -----	(1,019)	(0.2)	5,853	1.6	6,872	-
Net income -----	61,157	12.7	16,020	4.4	(45,137)	(73.8)
Retained earnings brought forward -----	250,532		192,202		(58,330)	
Loss on disposal of treasury stock -----	-		0		0	
Interim cash dividends -----	9,915		9,358		(557)	
Unappropriated retained earnings -----	301,774		198,864		(102,910)	

PROPOSAL OF APPROPRIATIONS

Years ended March 31, 2003 and 2004

	Yen in Millions		
	2003	2004	Change
Unappropriated retained earnings -----	301,774	198,864	(102,910)
Reversal of special reserve -----	2	2	(0)
Total -----	301,776	198,866	(102,910)
Cash dividends -----	9,403	9,357	(45)
	(¥70.00 per share)	(¥70.00 per share)	
Directors' bonuses -----	170	170	-
Special reserve -----	1	-	(1)
General reserve -----	100,000	100,000	-
Retained earnings - carried forward -----	192,202	89,338	(102,863)

[Notes]

Interim cash dividends (9,358 million yen, ¥70 per share) were paid on December 10, 2003.

BASIS OF NON-CONSOLIDATED FINANCIAL STATEMENTS

1. A valuation basis and method of securities

Held-to-maturity bonds	Amortized cost method (by straight-line method)
Securities of subsidiaries and affiliates	Cost, determined by the moving average method
Other securities	
Marketable other securities	Market price method, based on the market value at balance sheet date (Losses are charged to income, and unrealized gains, net of tax are charged to shareholders' equity.)
Non-marketable other securities	Cost, determined by the moving average method

2. A valuation basis and method of derivatives

Market price method

3. A valuation basis and method of inventories

Lower of cost, determined by the moving average method, or market

4. Depreciation method of fixed assets

(A) Tangible assets

Declining balance method (Some equipment are depreciated over economic useful lives.)

Buildings (exclusive of structures) acquired on or after April 1, 1998 are depreciated using the straight-line method.

Estimated useful lives of the principal assets are as follows:

Buildings : 3 to 50 years

(B) Intangible assets

Straight-line method

As for software for the in-house use, straight-line method based on usable period (mainly five years) is applied.

5. Translation basis of assets and/or liabilities denominated in foreign currencies

Receivables and/or payables denominated in foreign currencies are translated into Japanese yen by the spot exchange rates at the end of the fiscal year. Exchange gains or losses are charged to income.

6. Allowance and reserve

(A) Allowance for doubtful accounts

The allowance for general accounts receivables is calculated with actual percentage of credit losses to provide against losses on bad debts, as well as calculating the allowance for each doubtful account with an estimated amount of probable bad debts.

(B) Reserve for bonuses

The reserve for bonuses is calculated with estimated prorated amounts to be paid.

(C) Reserve for employee retirement and severance benefits

The reserve for employee retirement and severance benefits is calculated with actuarially calculated amounts at the end of the accounting period, on the basis of the cost of retirement benefits and plan assets at the end of the fiscal year.

Prior service cost and actuarial calculation difference is processed collectively in the accrued year.

(D) Reserve for directors retirement and severance benefits

The reserve for directors retirement and severance benefits is calculated with estimated amounts to be paid at the year-end, based on the Company's internal rules.

7. Lease transactions

Finance leases that are deemed to transfer ownership of the leased assets to lessees are to be capitalized, while other finance leases are accounted for as operating lease transactions.

8. Other

(A) Consumption tax

The consumption tax and the provincial consumption tax are recorded as asset / liability when they are paid / received.

(B) Impairment on Fixed Assets

The Company adopted the Financial Accounting Standard on Impairment on Fixed Assets ("Views on Establishment of Accounting Standards for Impairment on Fixed Assets," issued by the Business Accounting Council on August 9, 2002) and its application guidelines No.6 issued on October 31, 2003. As these Accounting Standards may be applied to financial statements from the accounting year ending March 31, 2004, we are applying the standards and the guidelines from the year under review. Upon adopting these accounting standards, impairment losses are included in "Other" of Other expenses, and the effect on Income before income taxes and extraordinary items and Income before income taxes is minor.

In addition, total impairment losses have been directly deducted from the figures of each asset category based on the revised Financial Statement Regulations.

NOTES TO NON-CONSOLIDATED FINANCIAL STATEMENTS

Balance sheets information;	Yen in Millions Shares in thousands	
	2003	2004
1. Accumulated depreciation of tangible assets	22,590	23,540
2. Receivable from affiliates		
Trade accounts receivable	64,028	30,962
3. Guaranteed liabilities	389	386
<i><EUR in thousands></i>	<i><EUR3,000></i>	<i><EUR3,000></i>
4. Number of authorized shares	400,000	400,000
5. Number of issued and outstanding shares	141,669	141,669
6. The increase of net assets due to the increase of fair value of assets		
Net assets provided in the Commercial Code 290-1-6	2,069	-
Net assets provided in the Implementing Regulations 124-3	-	6,502

Statements of income information;	Yen in Millions	
	2003	2004
1. Research and development costs	14,556	15,717
2. Transactions with affiliates		
Net sales	352,091	226,387

Lease transaction information;

This information is excluded, since it is disclosed on EDINET.

Securities information;

Any securities of subsidiaries and affiliates do not have market value in this fiscal year and the previous fiscal year.

Tax effect accounting information;

Year ended March 31, 2004

1. Significant components of deferred tax assets and liabilities are summarized as follows

	Yen in Millions
	<u>2004</u>
Deferred tax assets:	
Inventory - write-downs	6,235
Other A/P and accrued expenses	5,717
Research and development costs	4,912
Loss on investments in affiliates	4,748
Unrealized loss on land	2,571
Unrealized loss on investment in securities	1,417
Allowance for doubtful accounts	1,333
Depreciation	1,119
Other	4,899
Total deferred tax assets	<u>32,954</u>
Deferred tax liabilities:	
Unrealized gains on other securities	(4,545)
Other	(453)
Total deferred tax liabilities	<u>(4,998)</u>
Net deferred tax assets	<u><u>27,955</u></u>

2. Reconciliation of the statutory tax rate and the effective tax rate

This information is excluded, since the difference is not more than five one hundredth of the statutory tax rate.

DIRECTORS' CHANGE

(Scheduled date: June 29, 2004)

1. Representative director to be inaugurated (including promotion):

Representative Director
Senior Managing Director/General Manager, Research & Engineering Division

Nobuo Nagai (present position: Managing Director/General Manager, Research & Engineering Division)

2. Director to be retired:

Corporate Adviser

Akira Iijima (present position: Director, Marketing Division)

3. New auditor candidate:

Statutory auditor

Minoru Ueda (present position: Deputy General Manager, Administration Department of Tokyo Branch Office)

4. Auditor to be retired:

Takayasu Kojima (present position: Statutory auditor)

Supplementary Information

Nintendo Co., Ltd.

1. CONSOLIDATED SALES UNITS AND NUMBER OF NEW TITLES

		Sales Units in Ten Thousands Number of New Titles Released				
		Twelve Months Apr '02-Mar '03	Twelve Months Apr '03-Mar '04	Life-to-Date through Mar '04		
GAME BOY ADVANCE	Hardware	Domestic	408	315	1,321	
		The Americas	780	945	2,481	
		Other	377	500	1,338	
		Total	1,565	1,759	5,140	
	of which GAME BOY ADVANCE SP	Domestic	82	286	368	
		The Americas	83	795	878	
		Other	46	424	470	
		Total	211	1,505	1,716	
		Software	Domestic	1,693	1,712	4,700
			The Americas	3,066	4,243	9,647
			Other	1,153	1,535	4,033
			Total	5,912	7,489	18,379
		New titles	Domestic	205	156	529
		The Americas	221	145	515	
		Other	203	142	490	
NINTENDO GAMECUBE	Hardware	Domestic	90	99	346	
		The Americas	291	272	785	
		Other	194	132	327	
		Total	576	502	1,457	
		Software	Domestic	633	850	1,890
			The Americas	2,596	2,835	6,458
			Other	1,385	1,052	2,439
			Total	4,614	4,737	10,787
		New titles	Domestic	77	89	188
			The Americas	159	125	326
			Other	150	127	277

[Note] New titles-Other include new titles in the European and Australian markets.

2. OTHER CONSOLIDATED INFORMATION

		Yen in Millions	
		Twelve Months Apr '02-Mar '03	Twelve Months Apr '03-Mar '04
Capital investments		2,848	2,277
Depreciation expenses of tangible assets		4,585	3,182
Marketing expenses		46,227	53,488
		As of Mar 31, 2003	As of Mar 31, 2004
Number of Employees		2,977	2,985
		Twelve Months Apr '02-Mar '03	Twelve Months Apr '03-Mar '04
Average Exchange Rate			
	US\$1.00 =	¥121.95	¥113.07
	€ 1.00 =	¥121.04	¥132.61

3. BALANCE OF ASSETS IN MAJOR FOREIGN CURRENCIES

WITHOUT EXCHANGE CONTRACT (NON-CONSOLIDATED)

		U.S. Dollars / Euros in Millions			
		As of Mar 31, 2003	As of Mar 31, 2004	Exchange rate Mar 31, 2003	Exchange rate Mar 31, 2004
US\$	Cash and Deposits	4,231	5,212	US\$1.00 =	
	Accounts Receivable	284	213	¥120.20	¥105.69
EUR	Cash and Deposits	684	394	€ 1.00 =	
	Accounts Receivable	223	61	¥129.83	¥128.88