



CONSOLIDATED FINANCIAL HIGHLIGHTS



Nintendo Co., Ltd.
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Japan

Consolidated Results for the Six Months Ended September 2008 and 2009

(1) Consolidated operating results

(Amounts below one million are rounded down)

	Net sales	Operating income	Ordinary income	Net income
	million yen	million yen	million yen	million yen
Six months ended Sept. 30, '09	548,058	104,360	110,613	69,492
Six months ended Sept. 30, '08	836,879	252,183	237,306	144,828

	Net income per share
	yen
Six months ended Sept. 30, '09	543.40
Six months ended Sept. 30, '08	1,132.46

(2) Consolidated financial position

	Total assets	Net assets	Capital adequacy ratio	Net assets per share
	million yen	million yen	%	yen
As of Sept. 30, '09	1,671,661	1,210,068	72.4	9,460.04
As of Mar. 31, '09	1,810,767	1,253,931	69.2	9,804.97

Dividends

	Dividend per share			
	End of 1st quarter	End of 2nd quarter	End of 3rd quarter	Year-end
	yen	yen	yen	yen
Year ended Mar. 31, '09	—	660.00	—	780.00
Year ending Mar. 31, '10	—	270.00	—	—
Year ending Mar. 31, '10 (forecast)	—	—	—	690.00

	Dividend per share
	Annual
	yen
Year ended Mar. 31, '09	1,440.00
Year ending Mar. 31, '10	—
Year ending Mar. 31, '10 (forecast)	960.00

Consolidated Financial Forecast for the Fiscal Year Ending March 31, 2010

	Net sales		Operating income		Ordinary income		Net income		Net income per share
	million yen	%	million yen	%	million yen	%	million yen	%	yen
Year ending Mar. '10	1,500,000	(18.4)	370,000	(33.4)	370,000	(17.5)	230,000	(17.6)	1,798.50

[Note]

Percentages for net sales, operating income etc. show increase (decrease) from previous each period.

Others

(1) Changes for important subsidiaries during the six-month period ended Sept. 30, 2009 : Not applicable

(2) Application of simplified methods for accounting procedures : Applicable

[Note] Please refer to "4. Other Information" at page 4 for details.

(3) Changes in accounting procedures

1) Related to accounting standard revisions etc. : Not applicable

2) Other changes : Applicable

[Note] Please refer to "4. Other Information" at page 4 for details.

(4) Outstanding shares (common shares)

1) Number of shares outstanding (including treasury stock)

As of Sept. 30, 2009 : 141,669,000 shares As of Mar. 31, 2009 : 141,669,000 shares

2) Number of treasury stock

As of Sept. 30, 2009 : 13,785,195 shares As of Mar. 31, 2009 : 13,784,279 shares

3) Average number of shares

Six months ended Sept. 30, 2009 : 127,884,224 shares Six months ended Sept. 30, 2008 : 127,887,945 shares

[Note]

Forecasts announced by the Company referred to above were prepared based on management's assumptions with information available at this time and therefore involve known and unknown risks and uncertainties. Please note such risks and uncertainties may cause the actual results to be materially different from the forecasts (earnings forecast, dividend forecast, and other forecasts). With respect to this forecast, please refer to pages 3 for "3. Consolidated Financial Forecast."

1. Consolidated Operating Results

Nintendo continues to pursue "Gaming Population Expansion" based on the idea of putting smiles on many people's faces by offering brand new entertainment that anyone can enjoy, regardless of age, gender or gaming experience.

With respect to business operations by product category during the six months ended September 2009, within the handheld device segment of the electronic entertainment products division, "Nintendo DSi," released in Japan last fiscal year, was launched overseas in April this year. Worldwide unit sales of "Nintendo DS" hardware series were 11.70 million units during this six month period and 113.48 million units life-to-date. Regarding "Nintendo DS" software sales in Japan, "Pokémon HeartGold Version" and "Pokémon SoulSilver Version," which include a pedometer called "Pokéwalker Accessory" that expands the enjoyment of the game through the infrared data communication with the software, were released in September and the combined sales exceeded two million units. The new genre of software, "Tomodachi Collection" a game where players create human characters that enjoy their lives and extend their human relations within the game, continues to sell well long after its release and has become a popular game. In addition, a software title from a third party publisher sold over four million units, however, there were few noteworthy software titles released overseas. As a result, worldwide sales of "Nintendo DS" software were 71.15 million units in the first half of this fiscal year.

Regarding "Wii" software sales this six-month period, "Wii Sports Resort," which provides a dozen fun resort-themed sport games utilizing the "Wii MotionPlus" accessory, (which senses the subtle motion of players), sold well worldwide. However, there were fewer software titles that briskly drove hardware sales this six-month period versus the same period a year ago. Thus, "Wii" hardware sales units were 5.75 million units in the first six-month period of this fiscal year and 56.14 million units life-to-date. Worldwide sales of "Wii" software were 76.21 million units in the first half of this fiscal year.

Sales and income during this six-month period were adversely affected by appreciation of the yen and the price cut on "Wii" hardware. Net sales during the six months through September 2009 were 548.0 billion yen (34.5% down from the six-month period ended September 2008), operating income was 104.3 billion yen (58.6% down from the same period a year ago), ordinary income was 110.6 billion yen (53.4% down from the same period last year), and net income was 69.4 billion yen (52.0% down from the same period ended September 2008). First half net sales in the electronic entertainment products division were 546.7 billion yen, while sales in the other products division (playing cards, karuta, etc.) were 1.3 billion yen.

With regard to results by geographic segment, sales in Japan were 586.7 billion yen including inter-segment sales of 494.7 billion yen. Operating income was 126.9 billion yen. Sales in the Americas were 230.0 billion yen including inter-segment sales of 1.1 billion yen. Operating income was 6.1 billion yen. Sales in Europe were 186.6 billion yen including inter-segment sales of 11 million yen. Operating income were 2.0 billion yen. Sales in other geographic areas were 40.5 billion yen including inter-segment sales of 0.1 billion yen. Operating income was 2.0 billion yen.

2. Consolidated Financial Position

As of September 30, 2009, total assets decreased by 139.1 billion yen compared to the previous fiscal year-end to 1,671.6 billion yen, mainly due to the decrease of financial assets by the payment of dividends and income taxes. Notes and accounts payable-trade and income taxes payable decreased primarily due to lower production and lower income.

Cash and cash equivalents decreased by 126.2 billion yen compared to the beginning balance of this fiscal year to 767.8 billion yen.

3. Consolidated Financial Forecast

With respect to the consolidated earnings forecasts, please refer to "Notice of Semi-Annual Financial Forecast Differences with its Results and Full-Year Financial Forecast Modifications" released today. Estimated exchange rates are as follows: 90 yen per U.S. dollar, and 130 yen per euro. For full-year sales unit forecast, please refer to page 9.

4. Other Information

(Application of simplified method for accounting procedures)

(Calculation of corporate income taxes etc.) In computing corporate income taxes, only major items are taken into account in terms of additions and deductions for the income and tax credits.

(Calculation of income taxes) With respect to certain consolidated subsidiaries, corporate income tax amount is calculated by taking the amount of income before income taxes through the six-month period ended September 2009 multiplied by reasonably estimated annual effective tax rate with the effects of deferred taxes reflected.

(Changes in accounting procedures)

(Change in valuation method of investment securities) Unrealized gains or losses on other securities with marketable value had been accounted for using the partial net asset recording method. Effective from the first quarter ended June 30, 2009, in order to improve comparability with other companies, the accounting method has been changed to the whole net asset recording method. The impact of this change increases Ordinary income and Income before income taxes and minority interests in income by 2,201 million yen and 3,834 million yen, respectively, compared to the previous method.

5. Consolidated Balance Sheets

million yen

Description	As of Sept. 30, 2009	As of March 31, 2009
	Amount	Amount
(Assets)		
Current assets		
Cash and deposits	653,354	756,201
Notes and accounts receivable-trade	138,307	139,174
Short-term investment securities	339,037	463,947
Finished goods	198,568	132,133
Work in process	416	439
Raw materials and supplies	19,587	12,180
Other	164,752	148,673
Allowance for doubtful accounts	(2,189)	(4,025)
Total current assets	1,511,834	1,648,725
Noncurrent assets		
Property, plant and equipment	75,219	71,064
Intangible assets	4,384	2,169
Investments and other assets	80,222	88,807
Total noncurrent assets	159,826	162,042
Total assets	1,671,661	1,810,767
(Liabilities)		
Current liabilities		
Notes and accounts payable-trade	287,917	356,774
Income taxes payable	59,183	83,551
Provision	2,018	1,930
Other	96,744	98,657
Total current liabilities	445,863	540,914
Noncurrent liabilities		
Provision	9,607	10,247
Other	6,122	5,673
Total noncurrent liabilities	15,729	15,921
Total liabilities	461,592	556,835
(Net assets)		
Shareholders' equity		
Capital stock	10,065	10,065
Capital surplus	11,731	11,726
Retained earnings	1,402,700	1,432,958
Treasury stock	(156,544)	(156,516)
Total shareholders' equity	1,267,953	1,298,234
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	780	3,100
Foreign currency translation adjustment	(58,948)	(47,428)
Total valuation and translation adjustments	(58,167)	(44,328)
Minority interests	282	25
Total net assets	1,210,068	1,253,931
Total liabilities and net assets	1,671,661	1,810,767

6. Consolidated Statements of Income

million yen

Description	Six months ended Sept. 30, 2008	Six months ended Sept. 30, 2009
	Amount	Amount
Net sales	836,879	548,058
Cost of sales	469,831	341,759
Gross profit	367,048	206,298
Selling, general, and administrative expenses		
Advertising expenses	59,727	43,737
Research and development expenses	18,468	22,104
Other	36,668	36,095
Total selling, general and administrative expenses	114,864	101,937
Operating income	252,183	104,360
Non-operating income		
Interest income	18,862	5,579
Other	1,665	2,410
Total non-operating income	20,528	7,990
Non-operating expenses		
Sales discounts	351	198
Loss on redemption of securities	-	647
Foreign exchange losses	33,584	664
Other	1,468	226
Total non-operating expenses	35,404	1,737
Ordinary income	237,306	110,613
Extraordinary income		
Reversal of allowance for doubtful accounts	-	245
Gain on reversal of loss on valuation of investment securities	1,730	-
Gain on prior periods adjustment	-	※ ¹ 4,065
Other	228	-
Total extraordinary income	1,959	4,311
Extraordinary loss		
Loss on disposal of noncurrent assets	49	80
Loss on valuation of investment securities	43	-
Loss on prior periods adjustment	-	※ ² 2,225
Total extraordinary losses	92	2,306
Income before income taxes and minority interests	239,172	112,618
Income taxes-current	127,417	63,172
Income taxes-deferred	(33,088)	(20,064)
Total income taxes	94,329	43,107
Minority interests in income	15	18
Net income	144,828	69,492

※ 1 "Gain on prior periods adjustments" is the amount of refund for the penalties of a law suit paid in prior years.

※ 2 "Loss on prior periods adjustments" is the amount of adjustments related to prior years in connection with redeemable points (by Club Nintendo points etc.). Effective from the first quarter ended June 30, 2009, the granted points have been treated as deferred sales. Prior to the period, they were expensed.

7. Consolidated Statements of Cash Flows

million yen

Description	Period	Six months Ended Sept. 30, 2008	Six months Ended Sept. 30, 2009
		Amount	Amount
I Net cash provided by (used in) operating activities			
Income before income taxes and minority interests		239,172	112,618
Depreciation and amortization		3,911	3,694
Interest and dividends income		(19,007)	(5,728)
Foreign exchange losses (gains)		31,147	1,248
Decrease (increase) in notes and accounts receivable-trade		(4,773)	(2,140)
Decrease (increase) in inventories		(86,559)	(82,231)
Increase (decrease) in notes and accounts payable-trade		8,282	(62,957)
Increase (decrease) in accrued consumption taxes		(1,418)	(924)
Other, net		(5,152)	(5,361)
Sub-total		165,603	(41,781)
Interest and dividends income received		19,225	6,472
Interest expenses paid		(0)	(1)
Income taxes paid		(122,003)	(89,980)
Net cash provided by (used in) operating activities		62,825	(125,290)
II Net cash provided by (used in) investing activities			
Payments into time deposits		(115,171)	(105,443)
Proceeds from withdrawal of time deposits		77,758	212,095
Purchase of short-term investment securities		(326,919)	(264,938)
Proceeds from sales and redemption of securities		286,310	262,482
Purchase of property, plant and equipment		(4,146)	(9,752)
Purchase of investments securities		(6,124)	(1,075)
Other, net		16	(325)
Net cash provided by (used in) investing activities		(88,277)	93,041
III Net cash provided by (used in) financing activities			
Cash dividends paid		(143,052)	(99,600)
Other, net		(193)	209
Net cash provided by (used in) financing activities		(143,245)	(99,391)
IV Effect of exchange rate change on cash and cash equivalents		(22,917)	5,378
V Net increase (decrease) in cash and cash equivalents		(191,615)	(126,261)
VI Cash and cash equivalents at beginning of period		1,103,542	894,129
VII Cash and cash equivalents at end of period		911,926	767,867

8. Segment Information

A. Segment Information by Business Categories

Considering similarities of categories, characteristics, manufacturing method, or sales market of what Nintendo deals in, the electronic entertainment product segment accounts for over 90% of total sales and operating income of all business categories, with no other categories to be reported on the basis of disclosure rules. Therefore, this information is not applicable to Nintendo's business.

B. Segment Information by Seller's Location

Six months ended Sept. 30, 2008

million yen

	Japan	The Americas	Europe	Other	Total	Eliminations or corporate	Consolidated
Net sales							
(1) Sales to third parties	102,004	329,928	361,902	43,044	836,879	-	836,879
(2) Inter-segment sales	767,628	1,073	5	182	768,890	(768,890)	-
Total	869,633	331,002	361,907	43,227	1,605,770	(768,890)	836,879
Operating income	292,804	17,542	16,719	2,592	329,659	(77,475)	252,183

Six months ended Sept. 30, 2009

million yen

	Japan	The Americas	Europe	Other	Total	Eliminations or corporate	Consolidated
Net sales							
(1) Sales to third parties	92,071	228,938	186,630	40,418	548,058	-	548,058
(2) Inter-segment sales	494,709	1,114	11	143	495,979	(495,979)	-
Total	586,780	230,053	186,642	40,562	1,044,038	(495,979)	548,058
Operating income	126,991	6,161	2,084	2,046	137,283	(32,922)	104,360

C. Overseas sales

Six months ended Sept. 30, 2008

million yen

	The Americas	Europe	Other	Total
I Overseas sales	330,698	361,910	48,047	740,655
II Consolidated net sales				836,879
III Ratio of overseas sales to consolidated net sales	39.5%	43.2%	5.8%	88.5%

Six months ended Sept. 30, 2009

million yen

	The Americas	Europe	Other	Total
I Overseas sales	229,700	185,243	42,296	457,241
II Consolidated net sales				548,058
III Ratio of overseas sales to consolidated net sales	41.9%	33.8%	7.7%	83.4%

9. Others

(1) Consolidated sales information

million yen

Business Category	Main products	Six months ended Sept. 30, 2008	Six months ended Sept. 30, 2009
Electronic entertainment products	Hardware	515,486	312,556
	Software	319,924	234,187
	Electronic entertainment products total	835,410	546,743
Other	Playing cards, Karuta, etc.	1,469	1,315
Total		836,879	548,058

(2) Consolidated other information

million yen

	Six months ended Sept. 30, 2008	Six months ended Sept. 30, 2009	Year ending March 31, '10 (forecast)
Depreciation expenses of property, plant and equipment	3,787	3,321	7,500
Research and development expenses	18,487	22,114	45,000
Advertising expenses	59,727	43,737	120,000
Number of employees (at period end)	3,977	4,365	-

(3) Consolidated sales units, number of new titles, and sales unit forecast

			Actual		Sales Units in Ten Thousands Number of New Titles Released	
			Apr.-Sept. '08	Apr.-Sept. '09	Life-to-date Sept. '09	Forecast Apr. '09-Mar. '10
Nintendo DS	Hardware	Japan	132	173	2,812	
		The Americas	524	489	3,935	
		Other	717	508	4,601	
		Total	1,373	1,170	11,348	3,000
	of which Nintendo DSi	Japan	-	151	373	
		The Americas	-	294	327	
		Other	-	269	317	
		Total	-	715	1,017	
	Software	Japan	1,375	1,574	16,269	
		The Americas	3,640	3,212	23,706	
Other		3,488	2,329	23,832		
Total		8,502	7,115	63,807	15,000	
New titles	Japan	214	122	1,445		
	The Americas	172	189	1,129		
	Other	202	278	1,417		
Wii	Hardware	Japan	101	72	868	
		The Americas	458	245	2,599	
		Other	451	259	2,148	
		Total	1,010	575	5,614	2,000
	Software	Japan	570	523	3,932	
		The Americas	4,288	4,140	23,441	
		Other	3,283	2,958	15,550	
		Total	8,141	7,621	42,923	18,000
	New titles	Japan	42	38	309	
		The Americas	96	160	669	
Other		79	154	636		

[Notes]

- 1 New titles-Other include new titles in the European and Australian markets.
- 2 Sales units, number of new titles figures for Nintendo DS do not include quantity of the Nintendo DSiWare titles.
- 3 Sales units, number of new titles figures for Wii do not include quantity of the Virtual Console and the WiiWare titles.
- 4 Software forecast figures do include quantity bundled with hardware for the results ended September 30, 2009, however, software forecast figures in and after October 2009 do not include quantity bundled with hardware.

(4) Balance of assets and liabilities in major foreign currencies without exchange contract (non-consolidated)

		million U.S. dollars/euros			
		Balance as of Sept. 30, '09	Ave. exchange rate Apr.-Sept. '09	Exchange rate as of Sept. 30, '09	Estimated exchange rate Oct. '09-Mar. '10 & as of Mar. 31, '10
US\$	Cash and deposits	2,444	US\$1.00=	US\$1.00=	US\$1.00=
US\$	Accounts receivable-trade	1,095	¥95.49	¥90.21	¥90.00
US\$	Accounts payable-trade	345			
EUR	Cash and deposits	1,861	EUR1.00=	EUR1.00=	EUR1.00=
EUR	Accounts receivable-trade	909	¥133.16	¥131.72	¥130.00