

# CONSOLIDATED FINANCIAL STATEMENTS



April 25, 2011



Nintendo Co., Ltd.  
11-1 Kamitoba hokotate-cho,  
Minami-ku, Kyoto 601-8501  
Japan

## Consolidated Results for the Years Ended March 31, 2010 and 2011

(Amounts below one million are rounded down)

### (1) Consolidated operating results

	Net sales		Operating income		Ordinary income		Net income	
	million yen	%	million yen	%	million yen	%	million yen	%
Year ended March 31, 2011	1,014,345	(29.3)	171,076	(52.0)	128,101	(64.8)	77,621	(66.1)
Year ended March 31, 2010	1,434,365	(22.0)	356,567	(35.8)	364,324	(18.8)	228,635	(18.1)

[Note] Percentages for net sales, operating income etc. show increase (decrease) from the last fiscal year.

	Net income per share	Return on equity	Ordinary income on total assets	Operating income to net sales
	yen	%	%	%
Year ended March 31, 2011	606.99	5.9	7.5	16.9
Year ended March 31, 2010	1,787.84	17.7	20.4	24.9

### (2) Consolidated financial positions

	Total assets	Net assets	Capital adequacy ratio	Net assets per share
	million yen	million yen	%	yen
As of March 31, 2011	1,634,297	1,281,861	78.4	10,022.26
As of March 31, 2010	1,760,986	1,336,585	75.9	10,450.33

### (3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents - ending
	million yen	million yen	million yen	million yen
Year ended March 31, 2011	78,103	(154,038)	(102,456)	724,366
Year ended March 31, 2010	160,337	(12,728)	(133,847)	931,333

## Dividends

	Dividend per share			Dividends in total (annual)	Dividend payout ratio (consolidated basis)	Dividends on net assets (consolidated basis)
	End of 2nd quarter	Year-end	Annual			
	yen	yen	yen	million yen	%	%
Year ended Mar. 2010	270.00	660.00	930.00	118,930	52.0	9.2
Year ended Mar. 2011	140.00	310.00	450.00	57,545	74.1	4.4
Year ending Mar. 2012 (forecast)	60.00	400.00	460.00		53.5	

## Consolidated Financial Forecast for the Fiscal Year Ending March 31, 2012

	Net sales		Operating income		Ordinary income		Net income		Net income per share
	million yen	%	million yen	%	million yen	%	million yen	%	yen
Six months ending Sept. 2011	360,000	(0.9)	20,000	(63.1)	30,000	-	18,000	-	140.76
Year ending Mar. 2012	1,100,000	8.4	175,000	2.3	185,000	44.4	110,000	41.7	860.19

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

With respect to this forecast, please refer to pages 3-4 for the forward-looking conditions and other related matters.

### Others

(1) Changes for important subsidiaries during the fiscal year ended March 31, 2011 : Not applicable

(2) Changes in accounting procedures:

- ① Related to accounting standard revisions etc. : Applicable  
 ② Other changes : Not applicable

[Note] Please refer to "Changes on the Basis of Consolidated Financial Statements Preparation" at page 13 for details.

(3) Outstanding shares (common shares)

① Number of shares outstanding (including treasury stock)

As of March 31, 2011 : 141,669,000 shares As of March 31, 2010 : 141,669,000 shares

② Number of treasury stock

As of March 31, 2011 : 13,789,931 shares As of March 31, 2010 : 13,786,778 shares

③ Average number of shares

Year ended March 31, 2011 : 127,880,599 shares Year ended March 31, 2010 : 127,883,670 shares

### (Reference) Non-consolidated Results

Non-consolidated Results for the Years Ended March 31, 2010 and 2011

(1) Non-consolidated operating results

	Net sales	Operating income	Ordinary income	Net income
	million yen	million yen	million yen	million yen
Year ended March 31, 2011	807,361	118,692	73,116	37,571
Year ended March 31, 2010	1,214,481	293,576	293,982	183,548

	Net income per share
	yen
Year ended March 31, 2011	293.80
Year ended March 31, 2010	1,435.27

(2) Non-consolidated financial positions

	Total assets	Net assets	Capital adequacy ratio	Net assets per share
	million yen	million yen	%	yen
As of March 31, 2011	1,301,207	1,015,695	78.1	7,942.63
As of March 31, 2010	1,444,911	1,083,089	75.0	8,469.43

[Notes]

1. This earnings release report is not subject to audit procedures based on the Financial Instruments and Exchange Act. At the time of disclosure of this report, the audit procedures for the financial statements are in progress.

2. 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).

## Operating Results

### 1. Analysis of Operations

#### (1) Fiscal year ended March 31, 2011

Nintendo continues to pursue its basic strategy of "Gaming Population Expansion" by offering compelling products that anyone can enjoy, regardless of age, gender, or gaming experience.

During the fiscal year ended March 2011, to commemorate the 25th anniversary of Nintendo's major title "Super Mario Bros.," special edition red versions of "Nintendo DSi XL" and "Wii" hardware were launched worldwide along with "Wii" software "Super Mario All-Stars Limited Edition" as the revival of the SNES software "Super Mario All-Stars," combining various classic Super Mario titles. This sales promotion, appealing to those who had long been away from video games or never played video games before, as well as our existing users, contributed to strong sales.

In addition, within the handheld device segment of the electronic entertainment division, sales of "Pokémon Black Version" and "Pokémon White Version" became robust in and out of Japan. In the home console business, strong sales were realized on several titles including "Super Mario Galaxy 2," an action game featuring Mario's adventures throughout the galaxy, "Wii Party," which features party games that anyone can enjoy, "Donkey Kong Country Returns" in which the popular character runs, jumps and climbs while on a quest, and also titles launched during last fiscal year, such as "New Super Mario Bros. Wii" and "Wii Fit Plus."

Furthermore, "Nintendo 3DS," a new handheld device which allows 3D gameplay without the need for any special glasses, released in February in Japan and in March in the United States, Europe, and Australia, had a smooth start in sales at its launch.

However, compared to last year, when December 2009 had monthly record sales in our largest market, the United States, sales went down for both hardware and software. Sales went down in Japan and Europe as well.

As a result, the worldwide sales of the "Nintendo DS" series, "Nintendo 3DS," and "Wii" hardware were 17.52 million units, 3.61 million units, and 15.08 million units respectively. The worldwide sales units of the "Nintendo DS" series, "Nintendo 3DS," and "Wii" software were 120.98 million, 9.43 million and 171.26 million respectively. The number of million-seller titles life-to-date (including third-party publisher titles) for the "Nintendo DS" series increased from 114 to 139, while "Wii" increased from 79 to 103 titles, compared with the end of last fiscal year. "Nintendo 3DS" had two million-seller titles for this fiscal year.

Due to appreciation of the yen and the price reduction of "Nintendo DS" series hardware, net sales were 1,014.3 billion yen (of which overseas sales were 846.4 billion yen, or 83.4% of the total sales) and operating income was 171.0 billion yen. In addition, due to exchange losses totaling 49.4 billion yen primarily caused by the reevaluation of assets in foreign currencies, ordinary income was 128.1 billion yen, and net income was 77.6 billion yen.

#### (2) Outlook for fiscal year ending March 31, 2012

The aftermath of the Great East Japan Earthquake is unpredictable. Nintendo has not suffered any direct damage which will significantly affect our production; however, it can be predicted that there will be an indirect impact from individual consumption patterns or economic conditions in the future.

Under such circumstances, Nintendo will continue to release software with the cooperation of outside game developers and attempt to spread "Nintendo 3DS" vigorously to a wide range of audiences. In addition, Nintendo will start a software download service through the Internet for "Nintendo 3DS," as well as other services using the Internet, such as "Nintendo e-Shop," which will feature video and demonstration content distributions.

With respect to the "Nintendo DS" series and "Wii," Nintendo will continue to target those who do not have the systems and make them spread more widely with new games like "The Legend of Zelda: Skyward Sword" for "Wii" which utilizes the capability of the remote controller "Wii Remote Plus," and also with Nintendo's long-selling "evergreen" titles.

With regard to consolidated financial forecasts for the fiscal year ending March 31, 2012, net sales are 1,100 billion yen, operating income is 175 billion yen, ordinary income is 185 billion yen, and net income is 110 billion yen. Unit sales of the major products used for the forecast are listed on page 16. Exchange rates used for the forecasts are 83 yen per U.S. dollar and 120 yen per Euro.

[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).

## 2. Financial Positions

### (1) Situation of assets, liabilities, and net assets

Total assets decreased overall by 126.6 billion yen compared to the previous fiscal year-end to 1,634.2 billion yen mainly due to the decrease of cash and deposits, and finished goods. Total liabilities decreased by 71.9 billion yen compared to the previous fiscal year-end to 352.4 billion yen mainly due to the decrease in notes and accounts payable-trade, and income taxes payable. Net assets decreased by 54.7 billion yen compared to the previous fiscal year-end to 1,281.8 billion yen primarily due to influences from foreign currency translation adjustment and the decrease of retained earnings because of the payments for cash dividends.

### (2) Situation of cash flow

The ending balance of "Cash and cash equivalents" (collectively, "Cash") as of March 31, 2011 was 724.3 billion yen with a decrease of 206.9 billion yen during the fiscal year. During the previous fiscal year the increase was 37.2 billion yen. Net increase (decrease) of Cash and contributing factors during the fiscal year ended March 31, 2011 are as follows:

#### Net cash provided by (used in) operating activities:

On top of 127.9 billion yen of income before income taxes and minority interests, there were increasing factors such as yen appreciation of foreign exchanges and the decrease of inventory. However, due to payments of income taxes and a decrease of notes and accounts payable-trade, net cash resulted in an increase of 78.1 billion yen compared to an increase of 160.3 billion yen last year.

#### Net cash provided by (used in) investing activities:

Net cash from investing activities decreased by 154 billion yen compared to a decrease of 12.7 billion yen last year due to the amount of purchase of short-term investment securities exceeding the proceeds from sales and redemption of securities.

#### Net cash provided by (used in) financing activities:

Net cash from financing activities decreased by 102.4 billion yen compared to a decrease of 133.8 billion yen last year mainly due to payments for cash dividends.

#### Cash flow index trend

	As of March 31, 2007	As of March 31, 2008	As of March 31, 2009	As of March 31, 2010	As of March 31, 2011
Capital adequacy ratio	69.9 %	68.2 %	69.2 %	75.9 %	<b>78.4 %</b>
Capital adequacy ratio at market value	278.0	364.7	200.9	227.3	<b>175.8</b>

[Notes] Capital adequacy ratio: The sum of total "Shareholders' equity" and total "Other accumulated comprehensive income" divided by total assets

Capital adequacy ratio at market value: Total market value of stocks divided by total assets

\*Percentage figures are calculated on a consolidated basis.

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

### **3. Basic Policy of Profit Distribution and Dividends**

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 changes in the business environment and intensified competition. As for direct profit returns to our shareholders, dividends are paid based on profit levels achieved in each fiscal period.

The annual dividend per share will be established at the higher of the amount calculated by dividing 33% of consolidated operating income by the total number of outstanding shares, excluding treasury stock, as of the end of the fiscal year rounded up to the 10 yen digit, and the amount calculated based on the 50% consolidated net income standard rounded up to the 10 yen digit.

The end of 2nd quarter (interim) dividend per share is calculated by dividing 33% of consolidated operating income by the total number of outstanding shares, excluding treasury stock, as of the end of the six-month period rounded up to the 10 yen digit.

As a result, the dividend for the fiscal year ended March 31, 2011 has been established at 450 yen (interim: 140 yen, year-end: 310 yen) and dividend for the fiscal year ending March 31, 2012 will be 460 yen (interim: 60 yen, year-end: 400 yen) if earnings are in line with the financial forecast herein.

Retained earnings are maintained for effective use in research of new technology and development of new products, capital investments and securing materials, enhancement of selling power including advertisement, and common stock buyback whenever deemed appropriate.

### **4. Management Policy**

#### **(1) Basic management policy**

In the field of entertainment, Nintendo Co., Ltd. ("the Company") and its consolidated subsidiaries (together with the Company, "Nintendo") strive to create new and unique forms of entertainment while maintaining a robust business structure.

Nintendo places the highest emphasis on providing customers with a "world of fun," which is both innovative and entertaining with creative elements that have never been experienced.

#### **(2) Targeted management index**

In the entertainment industry, it is essential to provide new and entertaining products consistently. Upon accomplishing this, Nintendo aims to improve its corporate value by sustaining robust growth and increasing profit. Because Nintendo deals with entertainment products, which by nature hold many uncertainties in terms of their product development, and operates in a market which involves intense competition, flexible business decisions are made without being constrained by any specific management index.

#### **(3) Medium and long-term management strategy and challenges**

Nintendo continues to pursue its "Gaming Population Expansion" goal 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. Nintendo markets its products worldwide and has been trying to improve the social acceptance of video games to a level similar to that of other forms of entertainment such as movies, music, and sports.

With regard to the newly-released handheld device, "Nintendo 3DS," Nintendo provides hands-on opportunities for consumers to comprehend the real value of the 3D images with their own eyes and proposes a wide range of entertainment with surprises and discoveries for people carrying around the system that has a variety of communication functions. To be more specific, Nintendo aims to make "Nintendo 3DS" widely spread by creating an environment where those who carry the system have fun with the surrounding people with or without the playing experiences, or by making loose-knit connections no matter how actively they communicate with others through the combination of "StreetPass" and "SpotPass."

In the challenging and competitive gaming industry, which consistently requires new and innovative products, Nintendo will continue to strive to expand its business, and increase revenue and profit by capitalizing on being the only hardware platform producer with powerful in-house software development teams.

## Consolidated Balance Sheets

million yen

Description	As of March 31, 2010	As of March 31, 2011
	Amount	Amount
<b>(Assets)</b>		
<b>Current assets</b>		
1 Cash and deposits	886,995	812,870
2 Notes and accounts receivable-trade	131,876	135,689
3 Short-term investment securities	365,326	358,206
4 Finished goods	116,055	85,205
5 Work in process	90	438
6 Raw materials and supplies	8,528	7,069
7 Deferred tax assets	35,193	27,620
8 Other	48,389	42,362
9 Allowance for doubtful accounts	(1,067)	(756)
<b>Total current assets</b>	<b>1,591,388</b>	<b>1,468,706</b>
<b>Noncurrent assets</b>		
1 Property, plant and equipment		
(1) Buildings and structures, net	16,037	27,124
(2) Machinery, equipment and vehicles, net	1,797	4,851
(3) Tools, furniture and fixtures, net	5,259	5,787
(4) Land	42,488	41,606
(5) Construction in progress	14,003	1,494
Total property, plant and equipment	79,586	80,864
2 Intangible assets		
(1) Software	949	3,553
(2) Other	3,162	1,986
Total intangible assets	4,111	5,539
3 Investments and other assets		
(1) Investment securities	44,057	38,228
(2) Deferred tax assets	35,929	35,017
(3) Other	5,926	5,940
(4) Allowance for doubtful accounts	(13)	(0)
Total investments and other assets	85,899	79,187
<b>Total noncurrent assets</b>	<b>169,598</b>	<b>165,591</b>
<b>Total assets</b>	<b>1,760,986</b>	<b>1,634,297</b>

million yen

Description	As of March 31, 2010	As of March 31, 2011
	Amount	Amount
<b>(Liabilities)</b>		
<b>Current liabilities</b>		
1 Notes and accounts payable-trade	264,613	214,646
2 Income taxes payable	55,666	32,301
3 Provision for bonuses	2,174	2,431
4 Other	85,082	83,922
<b>Total current liabilities</b>	<b>407,537</b>	<b>333,301</b>
<b>Noncurrent liabilities</b>		
1 Provision for retirement benefits	9,924	11,647
2 Other	6,939	7,486
<b>Total noncurrent liabilities</b>	<b>16,863</b>	<b>19,134</b>
<b>Total liabilities</b>	<b>424,401</b>	<b>352,435</b>
<b>(Net assets)</b>		
<b>Shareholders' equity</b>		
1 Capital stock	10,065	10,065
2 Capital surplus	11,733	11,734
3 Retained earnings	1,527,315	1,502,631
4 Treasury stock	(156,585)	(156,663)
<b>Total shareholders' equity</b>	<b>1,392,528</b>	<b>1,367,767</b>
<b>Other accumulated comprehensive income</b>		
1 Valuation difference on available-for-sale securities	1,661	(917)
2 Foreign currency translation adjustment	(57,778)	(85,212)
<b>Total other accumulated comprehensive income</b>	<b>(56,117)</b>	<b>(86,129)</b>
<b>Minority interests</b>	<b>174</b>	<b>224</b>
<b>Total net assets</b>	<b>1,336,585</b>	<b>1,281,861</b>
<b>Total liabilities and net assets</b>	<b>1,760,986</b>	<b>1,634,297</b>

## Consolidated Statements of Income

million yen

Description	Year ended March 31, 2010	Year ended March 31, 2011
	Amount	Amount
Net sales	1,434,365	1,014,345
Cost of sales	859,131	626,379
<b>Gross profit</b>	<b>575,234</b>	<b>387,965</b>
Selling, general and administrative expenses	218,666	216,889
<b>Operating income</b>	<b>356,567</b>	<b>171,076</b>
Non-operating income		
1 Interest income	8,512	6,870
2 Other	2,570	1,731
Total non-operating income	11,082	8,602
Non-operating expenses		
1 Sales discounts	587	479
2 Foreign exchange losses	204	49,429
3 Other	2,533	1,667
Total non-operating expenses	3,325	51,577
<b>Ordinary income</b>	<b>364,324</b>	<b>128,101</b>
Extraordinary income		
1 Reversal of allowance for doubtful accounts	1,207	56
2 Gain on sales of noncurrent assets	126	105
3 Gain on sales of investment securities	-	24
4 Gain on prior periods adjustment	4,065	-
Total extraordinary income	5,399	186
Extraordinary loss		
1 Loss on disposal of noncurrent assets	67	30
2 Loss on sales of investment securities	-	0
3 Loss on valuation of investment securities	-	322
4 Loss on prior periods adjustment	2,215	-
5 Total extraordinary loss	2,282	353
<b>Income before income taxes and minority interests</b>	<b>367,442</b>	<b>127,934</b>
Income taxes-current	136,319	41,627
Income taxes-deferred	2,576	8,634
Total income taxes	138,896	50,262
<b>Income before minority interests</b>	<b>-</b>	<b>77,671</b>
Minority interests in income (loss)	(89)	50
<b>Net income</b>	<b>228,635</b>	<b>77,621</b>



## Consolidated Statements of Comprehensive Income

million yen

Description	Year ended March 31, 2010	Year ended March 31, 2011
	Amount	Amount
<b>Income before minority interests</b>	-	77,671
Other comprehensive income		
1 Valuation difference on available-for-sale securities	-	(2,582)
2 Foreign currency translation adjustment	-	(27,433)
3 Share of other comprehensive income of associates accounted for using equity method	-	3
Total other comprehensive income	-	(30,012)
<b>Comprehensive income</b>	-	<b>47,659</b>
(Comprehensive income attributable to)		
1 Comprehensive income attributable to owners of the parent	-	47,608
2 Comprehensive income attributable to minority interests	-	50

## Consolidated Statements of Changes in Net Assets

Year ended March 31, 2010 (April 1, 2009 - March 31, 2010)

million yen

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance as of March 31, 2009	10,065	11,726	1,432,958	(156,516)	1,298,234
Changes of items during the period					
Dividends from surplus	-	-	(134,278)	-	(134,278)
Net income	-	-	228,635	-	228,635
Purchase of treasury stock	-	-	-	(74)	(74)
Disposal of treasury stock	-	6	-	5	11
Net changes of items other than shareholders' equity	-	-	-	-	-
Total changes of items during the period	-	6	94,356	(68)	94,294
Balance as of March 31, 2010	10,065	11,733	1,527,315	(156,585)	1,392,528

million yen

	Other accumulated comprehensive income			Minority interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Total other accumulated comprehensive income		
Balance as of March 31, 2009	3,100	(47,428)	(44,328)	25	1,253,931
Changes of items during the period					
Dividends from surplus	-	-	-	-	(134,278)
Net income	-	-	-	-	228,635
Purchase of treasury stock	-	-	-	-	(74)
Disposal of treasury stock	-	-	-	-	11
Net changes of items other than shareholders' equity	(1,439)	(10,349)	(11,788)	148	(11,640)
Total changes of items during the period	(1,439)	(10,349)	(11,788)	148	82,653
Balance as of March 31, 2010	1,661	(57,778)	(56,117)	174	1,336,585

## Consolidated Statements of Changes in Net Assets

Year ended March 31, 2011 (April 1, 2010 - March 31, 2011)

million yen

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance as of March 31, 2010	10,065	11,733	1,527,315	(156,585)	1,392,528
Changes of items during the period					
Dividends from surplus	-	-	(102,305)	-	(102,305)
Net income	-	-	77,621	-	77,621
Purchase of treasury stock	-	-	-	(79)	(79)
Disposal of treasury stock	-	1	-	1	2
Net changes of items other than shareholders' equity	-	-	-	-	-
Total changes of items during the period	-	1	(24,683)	(78)	(24,761)
Balance as of March 31, 2011	10,065	11,734	1,502,631	(156,663)	1,367,767

million yen

	Other accumulated comprehensive income			Minority interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Total other accumulated comprehensive income		
Balance as of March 31, 2010	1,661	(57,778)	(56,117)	174	1,336,585
Changes of items during the period					
Dividends from surplus	-	-	-	-	(102,305)
Net income	-	-	-	-	77,621
Purchase of treasury stock	-	-	-	-	(79)
Disposal of treasury stock	-	-	-	-	2
Net changes of items other than shareholders' equity	(2,578)	(27,433)	(30,012)	50	(29,962)
Total changes of items during the period	(2,578)	(27,433)	(30,012)	50	(54,723)
Balance as of March 31, 2011	(917)	(85,212)	(86,129)	224	1,281,861

Consolidated Statements of Cash Flows

million yen

Description	Period	Year Ended March 31, 2010	Year Ended March 31, 2011
		Amount	Amount
<b>Net cash provided by (used in) operating activities</b>			
Income before income taxes and minority interests		367,442	127,934
Depreciation and amortization		7,098	6,794
Increase (decrease) in allowance for doubtful accounts		(2,867)	(221)
Increase (decrease) in provision for retirement benefits		41	2,586
Interest and dividends income		(8,767)	(7,113)
Foreign exchange losses (gains)		(16,888)	39,464
Equity in (earnings) losses of affiliates		58	40
Decrease (increase) in notes and accounts receivable-trade		3,833	(12,377)
Decrease (increase) in inventories		13,380	20,109
Increase (decrease) in notes and accounts payable-trade		(50,731)	(42,172)
Increase (decrease) in accrued consumption taxes		1,061	(2,908)
Other, net		(1,825)	3,515
Sub-total		311,837	135,652
Interest and dividends income received		9,595	7,676
Interest expenses paid		(2)	(2)
Income taxes paid		(161,091)	(65,222)
<b>Net cash provided by (used in) operating activities</b>		<b>160,337</b>	<b>78,103</b>
<b>Net cash provided by (used in) investing activities</b>			
Payments into time deposits		(288,968)	(391,444)
Proceeds from withdrawal of time deposits		247,925	398,561
Purchase of short-term investment securities		(566,926)	(613,423)
Proceeds from sales and redemption of securities		619,400	476,912
Purchase of property, plant and equipment		(17,127)	(10,940)
Proceeds from sales of property, plant and equipment		135	536
Purchase of investment securities		(1,075)	(13,468)
Other, net		(6,092)	(771)
<b>Net cash provided by (used in) investing activities</b>		<b>(12,728)</b>	<b>(154,038)</b>
<b>Net cash provided by (used in) financing activities</b>			
Purchase of treasury stock		(74)	(79)
Cash dividends paid		(134,137)	(102,314)
Other, net		364	(61)
<b>Net cash provided by (used in) financing activities</b>		<b>(133,847)</b>	<b>(102,456)</b>
<b>Effect of exchange rate change on cash and cash equivalents</b>		<b>23,442</b>	<b>(28,576)</b>
<b>Net increase (decrease) in cash and cash equivalents</b>		<b>37,203</b>	<b>(206,967)</b>
<b>Cash and cash equivalents at beginning of period</b>		<b>894,129</b>	<b>931,333</b>
<b>Cash and cash equivalents at end of period</b>		<b>931,333</b>	<b>724,366</b>

## Changes on the Basis of Consolidated Financial Statements Preparation

(Changes in accounting procedures)

(1) Applications of "Accounting Standard for Equity Method of Accounting for Investments" and "Practical Solution on Unification of Accounting Policies Applied to Associates Accounted for Using the Equity Method"

Effective with the consolidated fiscal year ended March 31, 2011, the "Accounting Standard for Equity Method of Accounting for Investments" (Accounting Standards Board of Japan Statement No.16 published on March 10, 2008) and "Practical Solution on Unification of Accounting Policies Applied to Associates Accounted for Using the Equity Method" (Practical Issues Task Force" No.24 dated March 10, 2008) have been applied.

There is no impact on ordinary income and income before income taxes and minority interests.

(2) Application of "Accounting Standard for Asset Retirement Obligations"

Effective with the consolidated fiscal year ended March 31, 2011, the "Accounting Standard for Asset Retirement Obligations" (Accounting Standards Board of Japan Statement No. 18 dated March 31, 2008) and the "Implementation Guidance on Accounting Standard for Asset Retirement Obligations" (Accounting Standards Board of Japan Statement Guidance No.21 dated March 31, 2008) have been applied.

There is no impact on operating income, ordinary income, and income before income taxes and minority interests.

## Notes Pertaining to Consolidated Financial Statements

Notes pertaining to consolidated balance sheets, statements of comprehensive income, and statements of cash flows

(Consolidated balance sheets information)

	million yen As of March 31, 2010	million yen As of March 31, 2011
Accumulated depreciation of property, plant, and equipment	51,637	51,577

(Consolidated statements of comprehensive income information)

Year ended March 31, 2010

	million yen
Comprehensive income:	
Comprehensive income attributable to owners of the parent	216,846
Comprehensive income attributable to minority interests	(89)
Total	216,757
Other comprehensive income:	
Valuation difference on available-for-sale securities	(1,434)
Foreign currency translation adjustment	(10,349)
Share of other comprehensive income of associates accounted for using equity method	(4)
Total	(11,788)

(Consolidated statements of cash flows information)

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

	million yen As of March 31, 2010	million yen As of March 31, 2011
Cash and deposits account	886,995	812,870
Time deposits (over 3 months)	(176,035)	(153,591)
Short-term investments due within 3 months after acquisition	220,373	65,087
Cash and cash equivalents - Ending	931,333	724,366

## Segment Information

(1) Year ended March 31, 2010

(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.

(Segment Information by Seller's Location)

	Japan	The Americas	Europe	Other	Total	Eliminations or corporate	million yen Consolidated
I Net sales							
(1) Sales to third parties	231,424	640,879	481,270	80,791	1,434,365	-	1,434,365
(2) Inter-segment sales	985,649	2,225	39	273	988,189	(988,189)	-
Total	1,217,074	643,104	481,310	81,065	2,422,554	(988,189)	1,434,365
Operating expenses	922,928	603,303	463,298	77,292	2,066,822	(989,023)	1,077,798
Operating income	294,145	39,801	18,011	3,773	355,732	834	356,567
II Assets	1,413,259	324,238	185,136	32,106	1,954,740	(193,753)	1,760,986

(2) Year ended March 31, 2011

The main business of Nintendo (Nintendo Co., Ltd. (the "Company") and its consolidated subsidiaries) is developing, manufacturing, and distributing handheld and home console hardware machines and related software. Development and manufacturing of products for worldwide use are primarily done by the Company. The Company distributes products in Japan while distribution in overseas markets is done by each local subsidiary.

Nintendo operates as a single business segment with each major geographic subsidiary solely responsible for distributing handheld and home console hardware machines and related software to its local market and there is no difference by product in terms of distribution channels or markets. While analysis of product sales results is made by product category or by region, decision for allocation of the management resources and evaluation of business results are made on a company-wide basis, not based on a product category or region basis. Therefore, this information is omitted.

## Others

(1) Consolidated sales information million yen

Category		Year ended March 31, 2010	Year ended March 31, 2011
Electronic entertainment products	Hardware		
	Handheld	380,879	298,653
	Home console	378,462	242,851
	Others	104,524	68,896
	Hardware total	863,866	610,401
	Software		
	Handheld	208,171	167,068
Home console	340,032	221,493	
Content income, etc.	19,520	13,667	
Software total	567,724	402,229	
Electronic entertainment products total		1,431,590	1,012,631
Other	Playing cards, Karuta, etc.	2,774	1,714
Total		1,434,365	1,014,345

(2) Geographical sales breakdown million yen

		Japan	The Americas	Europe	Other	Total
Year ended March 31, 2010	Net Sales	227,701	642,523	477,931	86,208	1,434,365
	Component ratio	15.9%	44.8%	33.3%	6.0%	100.0%
Year ended March 31, 2011	Net Sales	167,893	461,853	330,018	54,579	1,014,345
	Component ratio	16.6%	45.5%	32.5%	5.4%	100.0%

(3) Other consolidated information million yen

		Year ended March 31, 2010	Year ended March 31, 2011	(Forecast) Year ending March 31, 2012
Capital investments		25,310	21,597	25,000
Depreciation of property, plant and equipment		6,236	5,670	12,000
Research and development expenses		45,471	52,756	55,000
Advertising expenses		100,217	96,359	100,000
Number of employees (At year-end)		4,425	4,712	-
Average exchange rates	1 US \$ =	92.85 yen	85.72 yen	83.00 yen
	1 Euro =	131.15 yen	113.12 yen	120.00 yen

Consolidated Net Sales in U.S. Dollars	US\$ 6.3 billion	US\$ 4.9 billion	-
Consolidated Net Sales in Euros	€3.6 billion	€2.9 billion	-
Non-Consolidated Purchases in U.S. Dollars	US\$ 2.1 billion	US\$ 1.6 billion	-

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

million U.S. dollars/euros

		As of March 31, 2010		As of March 31, 2011		As of March 31, 2012
		Balance	Exchange rate	Balance	Exchange rate	Estimated exchange rate
US\$	Cash and deposits	2,740	1 US\$=	3,541	1 US\$=	1 US\$=
	Accounts receivable-trade	1,127	93.04 yen	776	83.15 yen	83.00 yen
	Accounts payable-trade	221		112		
EUR	Cash and deposits	2,776	1 Euro=	1,996	1 Euro=	1 Euro=
	Accounts receivable-trade	638	124.92 yen	661	117.57 yen	120.00 yen

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

				Sales Units in Ten Thousands			
				Actual		Number of New Titles Released	
				Actual	Actual	Life-to-date	Forecast
				Apr. '09-Mar. '10	Apr. '10-Mar. '11	Mar. '11	Apr. '11-Mar. '12
Nintendo DS	Hardware	Japan	401	235	3,276		
		The Americas	1,229	839	5,513		
		Other	1,081	678	5,853		
		Total	2,711	1,752	14,642	1,100	
	of which Nintendo DSi	Japan	254	103	579		
		The Americas	664	289	986		
		Other	562	274	884		
		Total	1,480	667	2,449		
	of which Nintendo DSi XL	Japan	104	118	222		
		The Americas	42	366	409		
		Other	62	315	377		
		Total	208	799	1,008		
	Software	Japan	3,054	2,165	19,914		
The Americas		7,362	6,225	34,082			
Other		4,743	3,707	29,953			
Total		15,159	12,098	83,948	6,700		
New titles	Japan	270	163	1,756			
	The Americas	349	265	1,554			
	Other	476	271	1,886			
Nintendo 3DS	Hardware	Japan	-	106	106		
		The Americas	-	132	132		
		Other	-	123	123		
		Total	-	361	361	1,600	
	Software	Japan	-	218	218		
		The Americas	-	394	394		
		Other	-	331	331		
		Total	-	943	943	6,200	
	New titles	Japan	-	21	21		
		The Americas	-	20	20		
		Other	-	20	20		
	Wii	Hardware	Japan	238	126	1,159	
			The Americas	986	778	4,118	
Other			830	605	3,324		
Total			2,053	1,508	8,601	1,300	
Software		Japan	1,498	1,145	6,052		
		The Americas	10,429	9,921	39,650		
		Other	7,254	6,061	25,907		
		Total	19,181	17,126	71,609	12,000	
New titles		Japan	88	56	415		
		The Americas	292	245	1,046		
		Other	301	237	1,020		

[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 Actual sales units of software include quantity bundled with hardware.
- 5 Software forecast figures do not include quantity bundled with hardware.