



October 27, 2011

# CONSOLIDATED FINANCIAL HIGHLIGHTS



Nintendo Co., Ltd.  
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Japan

## Consolidated Results for the Six Months Ended September 2010 and 2011

### (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, '11	215,738	(40.6)	(57,346)	-	(107,872)	-	(70,273)	-
Six months ended Sept. 30, '10	363,160	(33.7)	54,232	(48.0)	(4,152)	-	(2,011)	-

  

	Net income per share
	yen
Six months ended Sept. 30, '11	(549.53)
Six months ended Sept. 30, '10	(15.73)

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

### (2) Consolidated financial positions

	Total assets	Net assets	Capital adequacy ratio
	million yen	million yen	%
As of Sept. 30, '11	1,377,237	1,142,046	82.9
As of Mar. 31, '11	1,634,297	1,281,861	78.4

## 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, '11	—	140.00	—	310.00
Year ending Mar. 31, '12	—	0.00		
Year ending Mar. 31, '12 (forecast)			—	100.00

  

	Dividend per share
	Annual
	yen
Year ended Mar. 31, '11	450.00
Year ending Mar. 31, '12 (forecast)	100.00

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

	Net sales		Operating income		Ordinary income		Net income		Net income per share
Year ending Mar. '12	million yen	%	million yen	%	million yen	%	million yen	%	yen
	790,000	(22.1)	1,000	(99.4)	(30,000)	-	(20,000)	-	(156.40)

[Note]

This forecast is changed from the forecast in the report of "Consolidated Financial Statements" released on July 28, 2011.

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, 2011 : Not applicable

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

[Note] Please refer to "3. Other Information" at page 3 for details.

(3) Changes in accounting procedures

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

2) Other changes : Not applicable

3) Changes in accounting estimates : Not applicable

4) Modified restatements : Not applicable

(4) Outstanding shares (common shares)

1) Number of shares outstanding (including treasury stock)

As of Sept. 30, 2011 : 141,669,000 shares As of Mar. 31, 2011 : 141,669,000 shares

2) Number of treasury stock

As of Sept. 30, 2011 : 13,790,664 shares As of Mar. 31, 2011 : 13,789,931 shares

3) Average number of shares

Six months ended Sept. 30, 2011 : 127,878,721 shares Six months ended Sept. 30, 2010 : 127,881,407 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).

## **1. Consolidated Operating Results**

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.

During the six months ended September 2011, for the "Nintendo 3DS," the worldwide sales of its hardware were 3.07 million units. As regards the "Nintendo 3DS" software, "The Legend of Zelda: Ocarina of Time 3D" became a million-unit seller; however, "Nintendo 3DS" has yet to have many hit titles. The worldwide sales of "Nintendo 3DS" software resulted in 8.13 million units. Since a significant price revision made in and out of Japan in August, "Nintendo 3DS" hardware sales have been improving. Nintendo is preparing to release a solid software line-up for the year-end sales season. The effect of the price revision is expected to appear and we expect to see the sales of "Nintendo 3DS" hardware and software grow during that time. As for the worldwide sales of "Nintendo DS" series hardware (which represents Nintendo DS, Nintendo DS Lite, Nintendo DSi and Nintendo DSi XL) and "Nintendo DS" software, they were 2.58 million units and 28.99 million units respectively.

With respect to "Wii," its hardware bundled with "Mario Kart Wii" or "Wii Sports Resort" was newly launched to have its compelling and unique nature easily recognized. As a result, "Wii" hardware sales were 3.35 million units. "Wii" software sales resulted in 36.45 million units because of fewer hit titles and a small number of new titles.

As mentioned above, due to a smaller number of hit titles overall, a decrease of both hardware and software sales compared to the six-month period ended September 30, 2010, price reductions of "Nintendo 3DS" hardware and "Wii" hardware in overseas markets along with the inventory markdown, and the impact of a much stronger yen against the U.S. dollar, net sales were 215.7 billion yen (of which overseas sales were 170.8 billion yen, or 79.2% of total sales). In addition, the effect of the reduction in the prices of hardware game systems lowered the gross margin ratio. Thus, gross profit decreased. The operating loss was 57.3 billion yen. Due to re-evaluation of assets in foreign currencies, exchange losses totaling 52.4 billion yen occurred. As a result, the ordinary loss was 107.8 billion yen, and the net loss was 70.2 billion yen.

## **2. Consolidated Financial Forecast**

The consolidated earnings forecast for the fiscal year ending March 31, 2012 has been modified from the previous forecast released on July 28, 2011.

Please refer to "Notice of Semi-Annual Financial Forecast Differences with its Results, Full-Year Financial Forecast Modifications and Dividend Information" released today.

## **3. Other Information**

Application of peculiar methods for accounting procedures

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 2011 multiplied by reasonably estimated annual effective tax rate with the effects of deferred taxes reflected.

## 4. Consolidated Balance Sheets

million yen

Description	As of March 31, 2011	As of September 30, 2011
	Amount	Amount
<b>(Assets)</b>		
<b>Current assets</b>		
Cash and deposits	812,870	591,280
Notes and accounts receivable-trade	135,689	49,033
Short-term investment securities	358,206	295,239
Inventories	92,713	108,642
Other	69,982	91,226
Allowance for doubtful accounts	(756)	(386)
<b>Total current assets</b>	<b>1,468,706</b>	<b>1,135,035</b>
<b>Noncurrent assets</b>		
Property, plant and equipment	80,864	84,068
Intangible assets	5,539	5,555
Investments and other assets	79,187	152,577
<b>Total noncurrent assets</b>	<b>165,591</b>	<b>242,201</b>
<b>Total assets</b>	<b>1,634,297</b>	<b>1,377,237</b>
<b>(Liabilities)</b>		
<b>Current liabilities</b>		
Notes and accounts payable-trade	214,646	147,540
Income taxes payable	32,301	1,726
Provision	2,431	2,234
Other	83,922	66,649
<b>Total current liabilities</b>	<b>333,301</b>	<b>218,150</b>
<b>Noncurrent liabilities</b>		
Provision	11,647	10,721
Other	7,486	6,318
<b>Total noncurrent liabilities</b>	<b>19,134</b>	<b>17,040</b>
<b>Total liabilities</b>	<b>352,435</b>	<b>235,190</b>
<b>(Net assets)</b>		
<b>Shareholders' equity</b>		
Capital stock	10,065	10,065
Capital surplus	11,734	11,734
Retained earnings	1,502,631	1,392,715
Treasury stock	(156,663)	(156,675)
<b>Total shareholders' equity</b>	<b>1,367,767</b>	<b>1,257,840</b>
<b>Other accumulated comprehensive income</b>		
Valuation difference on available-for-sale securities	(917)	(2,117)
Foreign currency translation adjustment	(85,212)	(113,882)
<b>Total other accumulated comprehensive income</b>	<b>(86,129)</b>	<b>(115,999)</b>
<b>Minority interests</b>	<b>224</b>	<b>206</b>
<b>Total net assets</b>	<b>1,281,861</b>	<b>1,142,046</b>
<b>Total liabilities and net assets</b>	<b>1,634,297</b>	<b>1,377,237</b>

## 5. Consolidated Statements of Income

*Nintendo Co., Ltd.*

million yen

Description	Six months ended Sept. 30, 2010	Six months ended Sept. 30, 2011
	Amount	Amount
Net sales	363,160	215,738
Cost of sales	214,369	183,721
<b>Gross profit</b>	<b>148,791</b>	<b>32,016</b>
Selling, general and administrative expenses	94,558	89,363
<b>Operating income (loss)</b>	<b>54,232</b>	<b>(57,346)</b>
Non-operating income		
Interest income	3,289	3,870
Other	1,559	970
Total non-operating income	4,849	4,840
Non-operating expenses		
Sales discounts	178	148
Foreign exchange losses	62,175	52,433
Other	881	2,784
Total non-operating expenses	63,234	55,366
<b>Ordinary income (loss)</b>	<b>(4,152)</b>	<b>(107,872)</b>
Extraordinary income		
Reversal of allowance for doubtful accounts	173	-
Gain on sales of noncurrent assets	1	50
Gain on sales of investment securities	15	-
Total extraordinary income	190	50
Extraordinary loss		
Loss on disposal of noncurrent assets	1	62
Loss on valuation of investment securities	17	-
Total extraordinary loss	18	62
<b>Income (loss) before income taxes and minority interests</b>	<b>(3,981)</b>	<b>(107,884)</b>
Total income taxes	(1,960)	(37,593)
<b>Income (loss) before minority interests</b>	<b>(2,020)</b>	<b>(70,290)</b>
Minority interests in income (loss)	(9)	(17)
<b>Net income (loss)</b>	<b>(2,011)</b>	<b>(70,273)</b>

## 6. Consolidated Statements of Comprehensive Income

million yen

Description	Six months ended Sept. 30, 2010	Six months ended Sept. 30, 2011
	Amount	Amount
<b>Income (loss) before minority interests</b>	(2,020)	(70,290)
Other comprehensive income		
Valuation difference on available-for-sale securities	(2,791)	(1,199)
Foreign currency translation adjustment	(29,782)	(28,670)
Share of other comprehensive income of associates accounted for using equity method	3	(0)
Total other comprehensive income	(32,570)	(29,870)
<b>Comprehensive income</b>	<b>(34,591)</b>	<b>(100,160)</b>
(Comprehensive income attributable to)		
Comprehensive income attributable to owners of the parent	(34,582)	(100,143)
Comprehensive income attributable to minority interests	(9)	(17)

## 7. Others

(1) Consolidated sales information million yen

Category		Six months ended Sept. 30, 2010	Six months ended Sept. 30, 2011
Electronic entertainment products	Hardware	194,448	125,507
	Software	167,923	89,582
Electronic entertainment products total		362,372	215,089
Other	Playing cards, Karuta, etc.	787	648
Total		363,160	215,738

(2) Geographical sales breakdown million yen

		Japan	The Americas	Europe	Other	Total
Six months ended Sept. 30, 2011	Net sales	44,918	73,899	80,508	16,412	215,738
	Component ratio	20.8%	34.3%	37.3%	7.6%	100.0%
Six months ended Sept. 30, 2010	Net sales	67,701	159,816	108,358	27,283	363,160
	Component ratio	18.6%	44.0%	29.8%	7.6%	100.0%

(3) Other consolidated information million yen

	Six months ended Sept. 30, 2010	Six months ended Sept. 30, 2011	(Forecast) Year ending March 31, 2012
Depreciation of property, plant and equipment	2,648	4,414	12,000
Research and development expenses	25,534	26,009	55,000
Advertising expenses	38,010	34,574	90,000
Average exchange rates			
1 US \$ =	88.95 yen	79.82 yen	78.41 yen
1 Euro =	113.85 yen	113.79 yen	109.90 yen
Consolidated net sales in U.S. dollars	US\$ 1.6 billion	US\$ 0.8 billion	-
Consolidated net sales in Euros	€ 0.9 billion	€ 0.7 billion	-
Non-consolidated purchases in U.S. dollars	US\$ 0.8 billion	US\$ 1.3 billion	-

(4) Major assets and liabilities in foreign currencies influenced by exchange fluctuations (non-consolidated)

million U.S. dollars/euros

	As of Mar. 31, 2011		As of Sept. 30, 2011		As of March 31, 2012
	Balance	Exchange rate	Balance	Exchange rate	Estimated exchange rate
US\$ Cash and deposits	3,541	1 US\$=	3,147	1 US\$=	1 US\$=
Accounts receivable-trade	776	83.15 yen	506	76.65 yen	77.00 yen
Accounts payable-trade	112		897		
EUR Cash and deposits	1,996	1 Euro=	1,631	1 Euro=	1 Euro=
Accounts receivable-trade	661	117.57 yen	389	104.11 yen	106.00 yen

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

			Actual		Sales Units in Ten Thousands		
			Actual	Actual	Number of New	Titles Released	
			Apr.-Sept. '10	Apr. -Sept. '11	Life-to-date	Forecast	
					Sept. '11	Apr. '11-Mar. '12	
Nintendo DS	Hardware	Japan	115	16	3,292		
		The Americas	253	105	5,619		
		Other	301	137	5,990		
		Total	669	258	14,900	600	
	of which Nintendo DSi	-----	Japan	46	8	587	
			The Americas	75	34	1,020	
			Other	105	70	954	
			Total	226	112	2,561	
	of which Nintendo DSi XL	-----	Japan	59	8	230	
			The Americas	118	39	448	
			Other	144	52	429	
			Total	321	99	1,107	
	Software	-----	Japan	1,251	339	20,253	
The Americas			2,806	1,605	35,687		
Other			1,427	955	30,907		
Total			5,484	2,899	86,848	6,200	
New titles	-----	Japan	88	36	1,792		
		The Americas	143	85	1,639		
		Other	146	78	1,964		
Nintendo 3DS	Hardware	Japan	-	107	213		
		The Americas	-	81	213		
		Other	-	119	242		
		Total	-	307	668	1,600	
	Software	-----	Japan	-	183	401	
			The Americas	-	325	719	
			Other	-	305	636	
			Total	-	813	1,756	5,000
	New titles	-----	Japan	-	33	54	
			The Americas	-	35	55	
			Other	-	29	49	
	Wii	Hardware	Japan	45	32	1,191	
			The Americas	251	126	4,244	
Other			201	177	3,501		
Total			497	335	8,936	1,200	
Software		-----	Japan	460	337	6,389	
			The Americas	3,716	1,828	41,479	
			Other	2,346	1,479	27,386	
			Total	6,521	3,645	75,254	10,000
New titles		-----	Japan	27	15	430	
			The Americas	116	64	1,110	
			Other	120	60	1,080	

[Notes]

- 1 Nintendo DS means Nintendo DS, Nintendo DS Lite, Nintendo DSi, and Nintendo DSi XL.
- 2 New titles-Other includes new titles in the European and Australian markets.
- 3 The figures in sales units, and number of new titles for Nintendo DS do not include the quantity of the Nintendo DSiWare titles.
- 4 The figures in sales units, and number of new titles for Nintendo 3DS do not include the quantity of downloadable games in the Nintendo eShop.
- 5 The figures in sales units, and number of new titles for Wii do not include the quantities of Virtual Console and the WiiWare titles.
- 6 Actual sales units of software include the quantity bundled with hardware.
- 7 Software forecast figures include the quantity bundled with hardware for six months ended Sept 30, '11. However, software forecast figures do not include the quantity bundled with hardware in and after October 2011.