



MEMBERSHIP

October 30, 2013

CONSOLIDATED FINANCIAL HIGHLIGHTS



Nintendo Co., Ltd.
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Japan

Consolidated Results for the Six Months Ended September 2012 and 2013

(1) Consolidated operating results

(Amounts below one million yen are rounded down)

	Net sales		Operating income		Ordinary income		Net income	
	million yen	%	million yen	%	million yen	%	million yen	%
Six months ended September 30, 2013	196,582	(2.2)	(23,278)	-	1,248	-	600	-
Six months ended September 30, 2012	200,994	(6.8)	(29,159)	-	(47,248)	-	(27,996)	-

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

	Net income per share
	yen
Six months ended September 30, 2013	4.69
Six months ended September 30, 2012	(218.93)

(2) Consolidated financial positions

	Total assets	Net assets	Capital adequacy ratio
	million yen	million yen	%
As of September 30, 2013	1,494,832	1,233,906	82.5
As of March 31, 2013	1,447,878	1,227,520	84.8

Dividends

	Dividend per share				
	End of 1st quarter	End of 2nd quarter	End of 3rd quarter	Year-end	Annual
	yen	yen	yen	yen	yen
Year ended March 31, 2013	-	0.00	-	100.00	100.00
Year ending March 31, 2014	-	0.00			
Year ending March 31, 2014 (forecast)			-	260.00	260.00

Consolidated Financial Forecast for the Fiscal Year Ending March 31, 2014

	Net sales		Operating income		Ordinary income		Net income		Net income per share
	million yen	%	million yen	%	million yen	%	million yen	%	yen
Year ending March 31, 2014	920,000	44.8	100,000	-	90,000	758.6	55,000	674.7	430.10

Others

(1) Changes for important subsidiaries during the six-month period ended September 30, 2013 : Not applicable

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

[Note] Please refer to "3. Other Information: Application of peculiar methods for accounting procedures" 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, 2013 :	141,669,000 shares	As of March 31, 2013 :	141,669,000 shares
② Number of treasury stock			
As of Sept. 30, 2013 :	13,793,439 shares	As of March 31, 2013 :	13,792,295 shares
③ Average number of shares			
Six months ended		Six months ended	
Sept. 30, 2013 :	127,876,196 shares	Sept. 30, 2012 :	127,877,541 shares

[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 (Nintendo Co., Ltd.) 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 basic strategy of “Gaming Population Expansion” by offering compelling products that anyone can enjoy, regardless of age, gender or gaming experience.

During the six months ended September 30, 2013, Nintendo continued to experience strong sales in the Japanese market for “Nintendo 3DS (3DS, 3DS XL and 2DS),” as “Tomodachi Collection,” released in April in Japan, marked 1.63 million units in sales, while there have also been hit titles from third-party publishers. In the overseas markets, “Animal Crossing: New Leaf,” released in June in the United States and Europe, sold 2.01 million units (2.49 million units worldwide), while titles such as “Luigi’s Mansion: Dark Moon,” released in the previous fiscal year, and “Mario & Luigi: Dream Team” and “Donkey Kong Country Returns 3D,” both released in the current fiscal year, showed steady sales. As a result, the global sales of the “Nintendo 3DS” hardware and software reached 3.89 million and 27.38 million units respectively.

With respect to “Wii U,” Nintendo released the key first-party title “Pikmin 3” in July in Japan and Europe, and in August in the United States, as well as another key first-party title “The Legend of Zelda: The Wind Waker HD” in September in Japan and the United States, but the global sales of the “Wii U” hardware and software reached only 0.46 million and 6.30 million units respectively.

Regarding “Nintendo DS (DS, DS Lite, DSi and DSi XL),” the worldwide sales of its hardware and software were 0.10 million and 5.25 million units respectively. Also, the sales of the “Wii” hardware and software were 0.47 million and 14.90 million units respectively.

Net sales as a result were 196.5 billion yen (of which overseas sales were 129.1 billion yen, or 65.7% of the total sales). The “Wii U” hardware still has a negative impact on Nintendo’s profits, owing mainly to its markdown in the United States and Europe, leading to a gross profit of 62.0 billion yen. The operating loss was 23.2 billion yen as total selling, general and administrative expenses exceeded gross profit due to enhancements in advertising activities to increase sales, and research and development for the “Wii U” software among others. As a result of exchange gains totaling 18.3 billion yen due to depreciation of the yen at the end of this period compared with the one at the end of the last fiscal year, ordinary income was 1.2 billion yen and net income was 0.6 billion yen.

2. Consolidated Financial Forecast

There is no revision to the financial forecast announced on April 24, 2013.

For “Nintendo 3DS,” “Pokémon X/Pokémon Y,” released globally in October, showed extremely strong initial sales, further propelling the popularity of the system. In the overseas markets, Nintendo launched “Nintendo 2DS” which, by offering an all-new design without the 3D effect, is offered at a lower price point, and we strive to further accelerate sales and expand our audience in the coming year-end sales season.

For “Wii U,” we attempt to concentrate on proactively releasing key first-party titles towards the coming year in order to regain momentum for the platform. For the coming year-end sales season, we will release key first-party titles such as “Wii Party U” and “Super Mario 3D World,” and offer the Wii U hardware at an affordable price by bundling software with the system. We will also try new promotional activities such as a campaign where users can experience “Wii Fit U” free of charge.

Moreover, we strive to increase the profitability of our business by accelerating digital distribution of packaged software for both “Nintendo 3DS” and “Wii U” that we started last year and improving hardware profitability by reducing its costs.

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 30, 2013 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, 2013	As of September 30, 2013
(Assets)		
Current assets		
Cash and deposits	478,761	463,187
Notes and accounts receivable-trade	45,873	50,759
Short-term investment securities	424,540	382,290
Inventories	178,722	217,778
Other	64,787	107,885
Allowance for doubtful accounts	(434)	(196)
Total current assets	1,192,250	1,221,705
Noncurrent assets		
Property, plant and equipment	86,152	89,541
Intangible assets	10,863	12,025
Investments and other assets	158,612	171,561
Total noncurrent assets	255,628	273,127
Total assets	1,447,878	1,494,832
(Liabilities)		
Current liabilities		
Notes and accounts payable-trade	107,045	148,761
Income taxes payable	3,563	5,286
Provision	2,131	2,453
Other	81,735	75,451
Total current liabilities	194,475	231,952
Noncurrent liabilities		
Provision for retirement benefits	16,593	17,084
Other	9,288	11,888
Total noncurrent liabilities	25,882	28,973
Total liabilities	220,358	260,926
(Net assets)		
Shareholders' equity		
Capital stock	10,065	10,065
Capital surplus	11,734	11,734
Retained earnings	1,414,095	1,401,908
Treasury stock	(156,692)	(156,704)
Total shareholders' equity	1,279,203	1,267,003
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	8,599	9,754
Foreign currency translation adjustment	(60,414)	(42,970)
Total accumulated other comprehensive income	(51,815)	(33,216)
Minority interests	131	119
Total net assets	1,227,520	1,233,906
Total liabilities and net assets	1,447,878	1,494,832

5. Consolidated Statements of Income

million yen

Description	Six months ended September 30, 2012	Six months ended September 30, 2013
Net sales	200,994	196,582
Cost of sales	156,648	134,539
Gross profit	44,346	62,042
Selling, general and administrative expenses	73,506	85,321
Operating income (loss)	(29,159)	(23,278)
Non-operating income		
Interest income	2,926	3,090
Foreign exchange gains	-	18,360
Other	2,466	3,256
Total non-operating income	5,392	24,708
Non-operating expenses		
Sales discounts	202	145
Foreign exchange losses	23,273	-
Other	5	35
Total non-operating expenses	23,481	180
Ordinary income (loss)	(47,248)	1,248
Extraordinary income		
Gain on sales of noncurrent assets	-	1
Reversal of loss on litigation	-	1,420
Total extraordinary income	-	1,421
Extraordinary loss		
Loss on disposal of noncurrent assets	23	18
Total extraordinary loss	23	18
Income (loss) before income taxes and minority interests	(47,271)	2,651
Total income taxes	(19,330)	2,065
Income (loss) before minority interests	(27,941)	586
Minority interests in income (loss)	55	(13)
Net income (loss)	(27,996)	600

6. Consolidated Statements of Comprehensive Income

million yen

Description	Six months ended September 30, 2012	Six months ended September 30, 2013
Income (loss) before minority interests	(27,941)	586
Other comprehensive income		
Valuation difference on available-for-sale securities	(2,038)	1,152
Foreign currency translation adjustment	(19,285)	17,445
Share of other comprehensive income of associates accounted for using equity method	0	2
Total other comprehensive income	(21,323)	18,600
Comprehensive income	(49,264)	19,186
(Comprehensive income attributable to)		
Comprehensive income attributable to owners of the parent	(49,316)	19,198
Comprehensive income attributable to minority interests	52	(12)

7. Others

(1) Consolidated sales information

million yen

Category		Six months ended Sept. 30, 2012	Six months ended Sept. 30, 2013
Electronic entertainment products	Hardware	104,746	91,484
	Software	95,602	104,385
	Total electronic entertainment products	200,349	195,869
Other	Playing cards, Karuta, etc.	645	713
Total		200,994	196,582

[Note] Download sales

Six months ended September 30, 2012: 5.1 billion yen

Six months ended September 30, 2013: 11.4 billion yen

(2) Geographical sales breakdown

million yen

		Japan	The Americas	Europe	Other	Total
Six months ended September 30, 2013	Net sales	67,407	77,077	46,380	5,717	196,582
	Component ratio	34.3%	39.2%	23.6%	2.9%	100.0%
Six months ended September 30, 2012	Net sales	73,831	66,266	52,731	8,165	200,994
	Component ratio	36.7%	33.0%	26.2%	4.1%	100.0%

(3) Other consolidated information

million yen

		Six months ended September 30, 2012	Six months ended September 30, 2013	Year ending March 31, 2014 (Forecast)
Depreciation of property, plant and equipment		5,174	4,179	10,000
Research and development expenses		25,301	28,331	55,000
Advertising expenses		21,010	25,561	70,000
Average exchange rates	1 USD =	79.41 yen	98.85 yen	90.00 yen
	1 Euro =	100.64 yen	130.00 yen	120.00 yen

Consolidated net sales in U.S. dollars	0.7 billion	0.7 billion	-
Consolidated net sales in Euros	0.5 billion	0.3 billion	-
Non-consolidated purchases in U.S. dollars	1.3 billion	1.0 billion	-

(4) Balance of major assets and liabilities in foreign currencies (non-consolidated)

million U.S. dollars/euros

		As of March 31, 2013		As of Sept. 30, 2013		As of March 31, 2014
		Balance	Exchange rate	Balance	Exchange rate	Estimated exchange rate
USD	Cash and deposits	2,549	1 USD = 94.05 yen	2,321	1 USD = 97.75 yen	1 USD = 90.00 yen
	Accounts receivable-trade	477		733		
	Accounts payable-trade	374		763		
Euro	Cash and deposits	488	1 Euro = 120.73 yen	526	1 Euro = 131.87 yen	1 Euro = 120.00 yen
	Accounts receivable-trade	316		275		

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

			Actual		Sales Units in Ten Thousands Number of New Titles Released		
			Actual	Actual	Life-to-date	Forecast	
			Apr. - Sept. '12	Apr. - Sept. '13	Sept. '13	Apr. '13-Mar. '14	
Nintendo DS	Hardware	Japan	1	(0)	3,299		
		The Americas	79	6	5,993		
		Other	19	4	6,104		
		Total	98	10	15,396	-	
	Software	Japan	367	33	21,231		
		The Americas	842	294	39,434		
		Other	522	197	33,229		
		Total	1,730	525	93,893	1,000	
	New titles	Japan	11	-	1,845		
		The Americas	29	7	1,725		
Other		41	25	2,115			
Nintendo 3DS	Hardware	Japan	209	180	1,333		
		The Americas	139	117	1,143		
		Other	158	93	1,022		
		Total	506	389	3,498	1,800	
	of which Nintendo 3DS XL	Hardware	Japan	82	130	444	
			The Americas	55	83	297	
			Other	73	75	325	
	Software	Japan	706	1,038	4,484		
		The Americas	675	1,006	4,281		
		Other	522	695	3,476		
		Total	1,903	2,738	12,242	8,000	
	New titles	Japan	53	56	266		
		The Americas	40	43	226		
		Other	48	51	244		
Wii	Hardware	Japan	19	4	1,275		
		The Americas	41	28	4,803		
		Other	73	15	3,952		
		Total	132	47	10,030	200	
	Software	Japan	259	68	7,452		
		The Americas	1,156	820	48,552		
		Other	959	602	32,392		
		Total	2,374	1,490	88,397	2,000	
	New titles	Japan	6	2	460		
		The Americas	31	19	1,241		
Other		36	19	1,232			
Wii U	Hardware	Japan	-	23	115		
		The Americas	-	23	175		
		Other	-	(1)	101		
		Total	-	46	391	900	
	Software	Japan	-	84	257		
		The Americas	-	368	1,097		
		Other	-	177	617		
		Total	-	630	1,971	3,800	
	New titles	Japan	-	15	35		
		The Americas	-	30	74		
Other		-	23	60			

[Notes]

- 1 Nintendo DS means Nintendo DS, Nintendo DS Lite, Nintendo DSi and Nintendo DSi XL.
- 2 Software sales units and the number of new titles for Nintendo DS do not include those of Nintendo DSiWare.
- 3 Software sales units and the number of new titles for Nintendo 3DS are those of Nintendo 3DS card software (packaged and downloadable versions).
- 4 Software sales units and the number of new titles for Wii do not include those of Virtual Console and WiiWare.
- 5 Software sales units and the number of new titles for Wii U are those of Wii U disc software (packaged and downloadable versions).
- 6 Actual software sales units of each platform include the quantity bundled with hardware.
- 7 Forecasted software sales units do not include the quantity bundled with hardware.