



January 29, 2014

CONSOLIDATED FINANCIAL HIGHLIGHTS



Nintendo Co., Ltd.
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Japan

Consolidated Results for the Nine Months Ended December 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	%
Nine months ended December 31, 2013	499,120	(8.1)	(1,578)	-	55,566	144.2	10,195	(29.9)
Nine months ended December 31, 2012	543,033	(2.4)	(5,857)	-	22,756	-	14,545	-

[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
Nine months ended December 31, 2013	79.73
Nine months ended December 31, 2012	113.75

(2) Consolidated financial positions

	Total assets	Net assets	Capital adequacy ratio
	million yen	million yen	%
As of December 31, 2013	1,587,058	1,274,455	80.3
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)				100.00	100.00

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	590,000 (7.1)	(35,000) -	5,000 (52.3)	(25,000) -	(195.50)

Others

(1) Changes for important subsidiaries during the nine-month period ended December 31, 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 Dec. 31, 2013 :	141,669,000 shares	As of March 31, 2013 :	141,669,000 shares
② Number of treasury stock			
As of Dec. 31, 2013 :	13,794,362 shares	As of March 31, 2013 :	13,792,295 shares
③ Average number of shares			
Nine months ended		Nine months ended	
Dec. 31, 2013 :	127,875,817 shares	Dec. 31, 2012 :	127,877,370 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 nine months ended December 31, 2013, for “Nintendo 3DS (3DS, 3DS XL and 2DS),” “Pokémon X/Pokémon Y,” simultaneously released globally in October, marked 11.61 million units in sales. In the Japanese market, popular first-party titles continued to show steady sales, such as “Tomodachi Collection,” released in April, which marked 1.82 million units in sales, while there have also been hit titles from third-party publishers. In the overseas markets, Nintendo released various key first-party titles throughout the year, such as “Animal Crossing: New Leaf,” released in June in the United States and Europe, which reached 2.79 million units (3.52 million units worldwide) in sales, “Mario & Luigi: Dream Team,” released in July in Europe and August in the United States, which reached 1.54 million units (2.00 million units worldwide) and “The Legend of Zelda: A Link Between Worlds,” released in November in the United States and Europe, which reached 1.85 million units (2.18 million units worldwide). As a result, both the hardware and software continued to show strong sales in the Japanese market. However, while there were signs of improvement as “Nintendo 3DS” became the best-selling platform of the 2013 calendar year in the United States, as overseas sales in the year-end sales season showed limited growth, the global sales of the “Nintendo 3DS” hardware and software reached only 11.65 million and 57.25 million units respectively.

With respect to “Wii U,” Nintendo released key first-party titles such as “The Legend of Zelda: The Wind Waker HD,” “Wii Party U” and “Super Mario 3D World” from the summer toward the year-end sales season. While these titles each sold over one million units, the “Wii U” business as a whole was not able to recover fully, and the global sales of the “Wii U” hardware and software reached only 2.41 million and 15.96 million units respectively.

Regarding “Nintendo DS (DS, DS Lite, DSi and DSi XL),” the global sales of its hardware and software were 0.11 million units and 8.63 million units respectively. Also, the sales of the “Wii” hardware and software were 1.07 million and 23.27 million units respectively.

Net sales as a result were 499.1 billion yen (of which overseas sales were 340.0 billion yen or 68.1 percent 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, and sales of software, which has high profit margins, did not grow sufficiently, leading to a gross profit of 149.2 billion yen. Due to depreciation of the yen against the U.S. dollar and euro, expenses that were initially quoted in foreign currencies grew when converted into yen, with total selling, general and administrative expenses exceeding gross profit, resulting in an operating loss of 1.5 billion yen. However, as a result of exchange gains totaling 48.1 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 55.5 billion yen and net income was 10.1 billion yen.

2. Consolidated Financial Forecast

The annual earnings and dividend forecasts were modified on January 17, 2014 to reflect a lower-than-expected sales outlook from the initial forecast, based on the sales performance in the year-end sales season and afterward. The modifications are outlined in the “Notice of Full-Year Financial Forecast and Dividend Forecast Modifications.”

In the fourth quarter, we expect sales to decrease significantly due to seasonal factors as the year-end sales season concludes. Total selling, general and administrative expenses, which include fixed costs, are expected to exceed gross profit, leading to a bigger operating loss. Also, we expect the yen to rise from the end of the third quarter to the end of the fiscal year, reducing exchange gains and ordinary income. We expect an annual net loss primarily due to the reversal of deferred tax assets in the third quarter in relation to the losses carried over from the previous fiscal years mainly in the United States. Exchange rate assumptions for the fourth quarter as well as the end of the fiscal year are 100 yen per U.S. dollar and 140 yen per euro.

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 nine-month period ended December 31, 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 December 31, 2013
(Assets)		
Current assets		
Cash and deposits	478,761	561,605
Notes and accounts receivable-trade	45,873	149,289
Short-term investment securities	424,540	404,431
Inventories	178,722	178,940
Other	64,787	47,054
Allowance for doubtful accounts	(434)	(179)
Total current assets	1,192,250	1,341,142
Noncurrent assets		
Property, plant and equipment	86,152	94,860
Intangible assets	10,863	12,814
Investments and other assets	158,612	138,241
Total noncurrent assets	255,628	245,916
Total assets	1,447,878	1,587,058
(Liabilities)		
Current liabilities		
Notes and accounts payable-trade	107,045	161,982
Income taxes payable	3,563	23,047
Provision	2,131	736
Other	81,735	93,293
Total current liabilities	194,475	279,059
Noncurrent liabilities		
Provision for retirement benefits	16,593	18,493
Other	9,288	15,051
Total noncurrent liabilities	25,882	33,544
Total liabilities	220,358	312,603
(Net assets)		
Shareholders' equity		
Capital stock	10,065	10,065
Capital surplus	11,734	11,734
Retained earnings	1,414,095	1,411,504
Treasury stock	(156,692)	(156,716)
Total shareholders' equity	1,279,203	1,276,588
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	8,599	15,103
Foreign currency translation adjustment	(60,414)	(17,367)
Total accumulated other comprehensive income	(51,815)	(2,263)
Minority interests	131	130
Total net assets	1,227,520	1,274,455
Total liabilities and net assets	1,447,878	1,587,058

5. Consolidated Statements of Income

million yen

Description	Nine months ended December 31, 2012	Nine months ended December 31, 2013
Net sales	543,033	499,120
Cost of sales	415,781	349,825
Gross profit	127,251	149,294
Selling, general and administrative expenses	133,108	150,873
Operating income (loss)	(5,857)	(1,578)
Non-operating income		
Interest income	4,222	4,254
Foreign exchange gains	22,225	48,122
Other	3,154	5,193
Total non-operating income	29,602	57,570
Non-operating expenses		
Sales discounts	469	351
Other	519	74
Total non-operating expenses	989	425
Ordinary income	22,756	55,566
Extraordinary income		
Gain on sales of noncurrent assets	-	2
Reversal of loss on litigation	-	1,420
Total extraordinary income	-	1,422
Extraordinary loss		
Loss on disposal of noncurrent assets	22	53
Soil removal expenses	380	-
Total extraordinary loss	402	53
Income before income taxes and minority interests	22,354	56,936
Total income taxes	7,743	46,743
Income before minority interests	14,610	10,192
Minority interests in income (loss)	64	(3)
Net income	14,545	10,195

6. Consolidated Statements of Comprehensive Income

million yen

Description	Nine months ended December 31, 2012	Nine months ended December 31, 2013
Income before minority interests	14,610	10,192
Other comprehensive income		
Valuation difference on available-for-sale securities	2,160	6,501
Foreign currency translation adjustment	14,297	43,049
Share of other comprehensive income of associates accounted for using equity method	(1)	2
Total other comprehensive income	16,456	49,553
Comprehensive income	31,066	59,746
(Comprehensive income attributable to)		
Comprehensive income attributable to owners of the parent	31,005	59,747
Comprehensive income attributable to minority interests	60	(0)

7. Others

(1) Consolidated sales information

million yen

Category		Nine months ended Dec. 31, 2012	Nine months ended Dec. 31, 2013
Electronic entertainment products	Hardware	344,748	286,971
	Software	197,101	210,694
	Total electronic entertainment products	541,849	497,666
Other	Playing cards, Karuta, etc.	1,183	1,453
Total		543,033	499,120

[Note] Download sales

Nine months ended December 31, 2012: 11.1 billion yen

Nine months ended December 31, 2013: 18.0 billion yen

(2) Geographical sales breakdown

million yen

		Japan	The Americas	Europe	Other	Total
Nine months ended December 31, 2013	Net sales	159,062	188,354	137,635	14,067	499,120
	Component ratio	31.9%	37.7%	27.6%	2.8%	100.0%
Nine months ended December 31, 2012	Net sales	182,320	201,075	142,968	16,668	543,033
	Component ratio	33.6%	37.0%	26.3%	3.1%	100.0%

(3) Other consolidated information

million yen

		Nine months ended December 31, 2012	Nine months ended December 31, 2013	Year ending March 31, 2014 (Forecast)
Depreciation of property, plant and equipment		8,068	6,155	10,000
Research and development expenses		39,127	43,162	70,000
Advertising expenses		49,070	57,586	78,000
Average exchange rates	1 USD =	80.00 yen	99.39 yen	99.54 yen
	1 Euro =	102.17 yen	132.23 yen	134.17 yen

Consolidated net sales in U.S. dollars	2.3 billion	1.7 billion	-
Consolidated net sales in Euros	1.4 billion	1.0 billion	-
Non-consolidated purchases in U.S. dollars	3.2 billion	1.6 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 Dec. 31, 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	2,459	1 USD = 105.39 yen	1 USD = 100.00 yen
	Accounts receivable-trade	477		528		
	Accounts payable-trade	374		750		
Euro	Cash and deposits	488	1 Euro = 120.73 yen	514	1 Euro = 145.05 yen	1 Euro = 140.00 yen
	Accounts receivable-trade	316		454		

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

					Sales Units in Ten Thousands Number of New Titles Released		
			Actual Apr. - Dec. '12	Actual Apr. - Dec. '13	Life-to-date Dec. '13	Forecast Apr. '13-Mar. '14	
Nintendo DS	Hardware	Japan	1	(0)	3,299		
		The Americas	192	7	5,993		
		Other	22	4	6,105		
		Total	215	11	15,398	-	
	Software	Japan	447	85	21,283		
		The Americas	1,622	470	39,609		
		Other	955	308	33,339		
		Total	3,024	863	94,232	1,000	
	New titles	Japan	11	-	1,845		
		The Americas	44	14	1,732		
Other		65	34	2,124			
Nintendo 3DS	Hardware	Japan	504	422	1,576		
		The Americas	398	410	1,436		
		Other	369	333	1,262		
		Total	1,271	1,165	4,274	1,350	
	of which Nintendo 3DS XL	Hardware	Japan	281	303	616	
			The Americas	197	239	453	
			Other	227	202	452	
			Total	705	743	1,521	
	of which Nintendo 2DS	Hardware	Japan	-	-	-	
			The Americas	-	111	111	
Other			-	100	100		
Total			-	211	211		
Software		Japan	1,608	2,208	5,655		
		Total	3,956	5,725	15,229	6,600	
New titles	Japan	84	108	318			
	The Americas	65	76	259			
	Other	67	85	278			
Wii	Hardware	Japan	24	4	1,275		
		The Americas	185	63	4,838		
		Other	145	40	3,977		
		Total	353	107	10,090	120	
	Software	Japan	396	116	7,499		
		The Americas	2,425	1,228	48,960		
		Other	1,687	984	32,774		
		Total	4,508	2,327	89,234	2,600	
	New titles	Japan	10	3	461		
		The Americas	46	23	1,245		
Other		56	28	1,241			
Wii U	Hardware	Japan	83	83	175		
		The Americas	132	110	261		
		Other	90	48	149		
		Total	306	241	586	280	
	Software	Japan	148	347	521		
		The Americas	640	795	1,523		
		Other	382	454	894		
		Total	1,169	1,596	2,937	1,900	
	New titles	Japan	15	27	47		
		The Americas	37	41	85		
Other		29	42	79			

[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 While forecasted software sales units include the quantity bundled with hardware for nine months ended December 31, 2013, they do not include the quantity to be bundled with hardware on and after January 1, 2014.