



MEMBERSHIP

July 30, 2014

CONSOLIDATED FINANCIAL HIGHLIGHTS



Nintendo Co., Ltd.
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Japan

Consolidated Results for the Three Months Ended June 2013 and 2014

(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	%
Three months ended June 30, 2014	74,695	(8.4)	(9,470)	-	(9,964)	-	(9,924)	-
Three months ended June 30, 2013	81,548	(3.8)	(4,924)	-	14,817	-	8,624	-

[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
Three months ended June 30, 2014	(83.84)
Three months ended June 30, 2013	67.44

(2) Consolidated financial positions

	Total assets	Net assets	Capital adequacy ratio
	million yen	million yen	%
As of June 30, 2014	1,228,188	1,090,257	88.8
As of March 31, 2014	1,306,410	1,118,438	85.6

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, 2014	-	0.00	-	100.00	100.00
Year ending March 31, 2015 (forecast)	-	-	-	-	120.00

[Note]

The basic policy to pay out dividends is based on profit levels achieved in each fiscal year. The end of 2nd quarter (interim) dividend per share for the fiscal year ending March 31, 2015 is undecided because the financial forecast for the six months ending September, 2014 won't be prepared. The year-end dividend per share is calculated by subtracting the 2nd quarter dividend per share from the annual dividend.

Consolidated Financial Forecast for the Fiscal Year Ending March 31, 2015

	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, 2015	590,000	3.2	40,000	-	35,000	475.0	20,000	-	168.96

[Note]

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

Others

- (1) Changes for important subsidiaries during the three-month period ended June 30, 2014 : Not applicable
- (2) Application of peculiar methods for accounting procedures : Applicable
- (3) Changes in accounting procedures:
- 1) Related to accounting standard revisions etc. : 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 June 30, 2014 :	141,669,000 shares	As of March 31, 2014 :	141,669,000 shares
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 - ② Number of treasury stock

As of June 30, 2014 :	23,295,180 shares	As of March 31, 2014 :	23,294,719 shares
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 - ③ Average number of shares

Three months ended		Three months ended	
June 30, 2014 :	118,374,094 shares	June 30, 2013 :	127,876,483 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

During the three months ended June 30, 2014, for “Nintendo 3DS (3DS, 3DS XL and 2DS),” titles such as “Kirby: Triple Deluxe” and “Tomodachi Life,” released in May and June respectively in the United States and Europe, gained wide popularity. As a consequence, the global sales of the “Nintendo 3DS” hardware and software reached 0.82 million units and 8.57 million units respectively.

With respect to “Wii U,” “Mario Kart 8,” released globally in May, marked 2.82 million units in sales. The worldwide sales of the “Wii U” hardware and software were 0.51 million units and 4.39 units respectively mainly due to a lack of other hit titles this quarter.

Net sales as a result were 74.6 billion yen (of which overseas sales were 58.0 billion yen or 77.7% of the total sales), and gross profit was 32.5 billion yen. The operating loss was 9.4 billion yen because total selling, general and administrative expenses including fixed expenses exceeded gross profit. Ordinary loss was 9.9 billion yen and net loss was 9.9 billion yen.

2. Consolidated Financial Forecast

For “Nintendo 3DS,” “Super Smash Bros. for Nintendo 3DS” will be released in September in Japan, and in October in the United States and Europe, and “Pokémon Omega Ruby” and “Pokémon Alpha Sapphire” will be released globally in November. In addition, a number of key titles from third-party publishers will also be released from this summer to the end of this calendar year. We expect to generate robust profits from the “Nintendo 3DS” platform business.

Regarding “Wii U,” “Mario Kart 8,” with a good start in sales, has contributed to a gain in momentum for the “Wii U” platform business. From this summer to the end of this calendar year, we plan to release key titles such as “Hyrule Warriors,” “BAYONETTA 2,” “Captain Toad: Treasure Tracker” and “Super Smash Bros. for Wii U.” Moreover, we will launch character figures called “amiibo,” which are designed to connect and interact with compatible games, in an effort to focus on measures that further stimulate the platform.

For the year-end sales season, which is the biggest sales season of the year, we expect to expand sales by releasing key titles and launching new products. There is no revision to the consolidated financial forecast for this fiscal year, announced on May 7, 2014.

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 three-month period ended June 30, 2014 multiplied by reasonably estimated annual effective tax rate with the effects of deferred taxes reflected.

Changes in accounting procedures related to accounting standard revisions etc.

Effective beginning the three-month period ended June 30, 2014, Nintendo has adopted Article 35 of the "Accounting Standard for Retirement Benefits" (ASBJ Statement No.26 of May 17, 2012; hereafter the "Accounting Standard") and Article 67 of the "Guidance on the Accounting Standard for Retirement Benefits," (ASBJ Guidance No.25 of May 17, 2012) and has changed the calculation methods for retirement benefit obligations and service costs. The method of attributing estimated retirement benefits to periods has been changed from the straight line basis to the benefit formula basis, and the method of determining the discount rate has been revised from a method based on an approximation of the employees' average remaining service period to a method of using a single weighted average discount rate reflecting the estimated payment period and the amount for each estimated payment period of the retirement benefit.

With respect to application of the Accounting Standard, in accordance with transitional accounting treatments as stated in Article 37 of the Accounting Standard, the effect of the changes in calculation methods for retirement benefit obligations and service costs has been reflected in retained earnings at the beginning of the three-month period ended June 30, 2014.

As a result, net defined benefit liability and net defined asset (included in investments and other assets) have increased by 484 million yen and 3,078 million yen respectively at the beginning of the three-month period ended June 30, 2014, while retained earnings and deferred tax liabilities regarding them have increased by 1,673 million yen and 920 million yen respectively at the same point in time.

There is minimal impact on operating loss, ordinary loss or loss before income taxes and minority interests in the three-month period ended June 30, 2014.

4. Consolidated Balance Sheets

million yen

Description	As of March 31, 2014	As of June 30, 2014
(Assets)		
Current assets		
Cash and deposits	474,297	479,375
Notes and accounts receivable-trade	28,754	33,617
Short-term investment securities	320,918	285,957
Inventories	160,801	136,454
Other	39,479	36,764
Allowance for doubtful accounts	(114)	(109)
Total current assets	1,024,136	972,060
Noncurrent assets		
Property, plant and equipment	94,190	92,425
Intangible assets	12,467	12,226
Investments and other assets	175,616	151,477
Total noncurrent assets	282,274	256,128
Total assets	1,306,410	1,228,188
(Liabilities)		
Current liabilities		
Notes and accounts payable-trade	47,665	24,261
Income taxes payable	14,803	502
Provision	2,183	795
Other	90,999	80,708
Total current liabilities	155,652	106,267
Noncurrent liabilities		
Net defined benefit liability	18,558	17,940
Other	13,760	13,724
Total noncurrent liabilities	32,318	31,664
Total liabilities	187,971	137,931
(Net assets)		
Shareholders' equity		
Capital stock	10,065	10,065
Capital surplus	11,734	11,734
Retained earnings	1,378,085	1,357,997
Treasury stock	(270,958)	(270,963)
Total shareholders' equity	1,128,927	1,108,833
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	13,628	10,934
Foreign currency translation adjustment	(24,274)	(29,650)
Total accumulated other comprehensive income	(10,645)	(18,715)
Minority interests	157	139
Total net assets	1,118,438	1,090,257
Total liabilities and net assets	1,306,410	1,228,188

5. Consolidated Statements of Income

million yen

Description	Three months ended June 30, 2013	Three months ended June 30, 2014
Net sales	81,548	74,695
Cost of sales	45,144	42,169
Gross profit	36,404	32,526
Selling, general and administrative expenses	41,329	41,996
Operating income (loss)	(4,924)	(9,470)
Non-operating income		
Interest income	1,890	972
Gain on redemption of securities	415	3,166
Foreign exchange gains	16,934	-
Other	1,029	758
Total non-operating income	20,269	4,897
Non-operating expenses		
Sales discounts	76	28
Foreign exchange losses	-	5,045
Other	449	318
Total non-operating expenses	526	5,392
Ordinary income (loss)	14,817	(9,964)
Extraordinary income		
Gain on sales of noncurrent assets	-	5
Total extraordinary income	-	5
Extraordinary loss		
Loss on disposal of noncurrent assets	1	4
Restructuring loss	-	1,421
Total extraordinary loss	1	1,426
Income (loss) before income taxes and minority interests	14,816	(11,385)
Total income taxes	6,198	(1,467)
Income (loss) before minority interests	8,617	(9,918)
Minority interests in income (loss)	(6)	5
Net income (loss)	8,624	(9,924)

6. Consolidated Statements of Comprehensive Income

million yen

Description	Three months ended June 30, 2013	Three months ended June 30, 2014
Income (loss) before minority interests	8,617	(9,918)
Other comprehensive income		
Valuation difference on available-for-sale securities	841	(2,690)
Foreign currency translation adjustment	15,567	(5,376)
Share of other comprehensive income of associates accounted for using equity method	1	(3)
Total other comprehensive income	16,409	(8,070)
Comprehensive income	25,027	(17,989)
(Comprehensive income attributable to)		
Comprehensive income attributable to owners of the parent	25,033	(17,994)
Comprehensive income attributable to minority interests	(5)	5

7. Others

(1) Consolidated sales information

million yen

Category		Three months ended June 30, 2013	Three months ended June 30, 2014
Electronic entertainment products	Hardware	35,083	34,497
	Software	46,115	39,804
	Total electronic entertainment products	81,198	74,301
Other	Playing cards, Karuta, etc.	349	394
Total		81,548	74,695

[Note] Download sales

Three months ended June 30, 2013: 5.7 billion yen

Three months ended June 30, 2014: 5.0 billion yen

(2) Geographical sales breakdown

million yen

		Japan	The Americas	Europe	Other	Total
Three months ended June 30, 2014	Net sales	16,688	31,383	23,127	3,496	74,695
	Component ratio	22.3%	42.0%	31.0%	4.7%	100.0%
Three months ended June 30, 2013	Net sales	29,563	28,018	21,299	2,667	81,548
	Component ratio	36.3%	34.4%	26.1%	3.2%	100.0%

(3) Other consolidated information

million yen

		Three months ended June 30, 2013	Three months ended June 30, 2014	Year ending March 31, 2015 (Forecast)
Depreciation of property, plant and equipment		2,149	1,229	7,000
Research and development expenses		13,704	15,450	57,000
Advertising expenses		12,374	11,874	62,000
Average exchange rates	1 USD =	98.76 yen	102.16 yen	100.00 yen
	1 Euro =	128.95 yen	140.07 yen	140.00 yen

Consolidated net sales in U.S. dollars	0.2 billion	0.2 billion	-
Consolidated net sales in Euros	0.1 billion	0.1 billion	-
Non-consolidated purchases in U.S. dollars	0.2 billion	0.0 billion	-

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

million U.S. dollars/euros

		As of March 31, 2014		As of June 30, 2014		As of March 31, 2015
		Balance	Exchange rate	Balance	Exchange rate	Estimated exchange rate
USD	Cash and deposits	2,341		2,279		
	Accounts receivable-trade	82	1 USD = 102.92 yen	102	1 USD = 101.36 yen	1 USD = 100.00 yen
	Accounts payable-trade	105		38		
Euro	Cash and deposits	532	1 Euro = 141.65 yen	584	1 Euro = 138.31 yen	1 Euro = 140.00 yen
	Accounts receivable-trade	99		74		

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

			Actual		Sales Units in Ten Thousands Number of New Titles Released		
			Actual Apr. - Jun. '13	Actual Apr. - Jun. '14	Life-to-date Jun. '14	Forecast Apr. '14-Mar. '15	
Nintendo 3DS	Hardware	Japan	64	26	1,615		
		The Americas	36	25	1,483		
		Other	40	31	1,316		
		Total	140	82	4,414	1,200	
	of which Nintendo 3DS XL	Hardware	Japan	43	21	646	
			The Americas	24	16	489	
			Other	31	15	482	
			Total	99	53	1,618	
	of which Nintendo 2DS	Hardware	Japan	-	-	-	
			The Americas	-	8	122	
Other			-	13	119		
Total			-	21	242		
Software		Japan	431	283	6,407		
		Total	1,101	857	17,149	6,700	
New titles	Japan	22	18	357			
	The Americas	18	19	291			
	Other	17	24	326			
Wii	Hardware	Japan	2	(0)	1,275		
		The Americas	10	4	4,850		
		Other	9	5	3,990		
		Total	21	9	10,115	50	
	Software	Japan	41	9	7,520		
		The Americas	175	70	49,167		
		Other	150	80	32,994		
		Total	367	160	89,682	900	
	New titles	Japan	-	-	461		
		The Americas	3	1	1,247		
Other		3	3	1,245			
Wii U	Hardware	Japan	9	6	187		
		The Americas	6	28	308		
		Other	1	17	173		
		Total	16	51	668	360	
	Software	Japan	18	81	643		
		The Americas	52	230	1,928		
		Other	33	128	1,095		
		Total	103	439	3,667	2,000	
	New titles	Japan	4	8	58		
		The Americas	7	5	99		
Other		8	7	91			

[Notes]

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