



MEMBERSHIP

January 28, 2015

CONSOLIDATED FINANCIAL HIGHLIGHTS



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

Consolidated Results for the Nine Months Ended December 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	%
Nine months ended December 31, 2014	442,920	(11.3)	31,604	-	92,356	66.2	59,515	483.7
Nine months ended December 31, 2013	499,120	(8.1)	(1,578)	-	55,566	144.2	10,195	(29.9)

[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, 2014	502.78
Nine months ended December 31, 2013	79.73

(2) Consolidated financial positions

	Total assets	Net assets	Capital adequacy ratio
	million yen	million yen	%
As of December 31, 2014	1,480,986	1,202,287	81.2
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	-	0.00	-		
Year ending March 31, 2015 (forecast)				130.00	130.00

[Note] The forecast herein is modified from the forecast in the report of "Consolidated Financial Statements" released on May 7, 2014.

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	550,000	(3.8)	20,000	-	50,000	721.5	30,000	-	253.44

[Notes]

- This forecast is modified from the forecast in the report of "Consolidated Financial Statements" released on May 7, 2014.
- Percentages for net sales, operating income etc. show increase (decrease) from the previous each period.

Others

(1) Changes for important subsidiaries during the nine-month period ended December 31, 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 Dec. 31, 2014 :	141,669,000 shares	As of March 31, 2014 :	141,669,000 shares		
② Number of treasury stock					
As of Dec. 31, 2014 :	23,296,615 shares	As of March 31, 2014 :	23,294,719 shares		
③ Average number of shares					
Nine months ended		Nine months ended			
Dec. 31, 2014 :	118,373,372 shares	Dec. 31, 2013 :	127,875,817 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 nine months ended December 31, 2014, for “Nintendo 3DS,” “New Nintendo 3DS/New Nintendo 3DS XL,” launched as the newest members of the “Nintendo 3DS” family in Japan in October, got off to a good start and continued to sell well. However, as sales of the “Nintendo 3DS” hardware in the United States and in Europe, where “New Nintendo 3DS/New Nintendo 3DS XL” were yet to be launched, did not grow sufficiently, the global sales of the “Nintendo 3DS” family hardware were 7.08 million units. As for the “Nintendo 3DS” software, “Pokémon Omega Ruby/Pokémon Alpha Sapphire” and “Super Smash Bros. for Nintendo 3DS” enjoyed robust sales with 9.35 million units and 6.19 million units sold respectively, while titles such as “Tomodachi Life,” “Mario Kart 7” and “Pokémon X/Pokémon Y” showed steady sales. There were also a number of hit titles from third-party publishers in the Japanese market. As a result, the global sales of the “Nintendo 3DS” software were 53.04 million units.

With respect to “Wii U,” Nintendo released two big titles, “Mario Kart 8” and “Super Smash Bros. for Wii U,” which enable family members and friends to have fun together in their living rooms. These titles sold 4.77 million units and 3.39 million units globally, and the global sales of the “Wii U” hardware and software reached 3.03 million and 20.59 million units respectively.

As a result, net sales were 442.9 billion yen (of which overseas sales were 323.2 billion yen or 73.0% of the total sales) and operating income was 31.6 billion yen. As a result of exchange gains totaling 51.0 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 92.3 billion yen and net income was 59.5 billion yen.

2. Consolidated Financial Forecast

The consolidated earnings forecast for the fiscal year ending March 31, 2015 has been modified from the previous forecast released on May 7, 2014.

Please refer to “Notice of Full-Year Financial Forecast Modifications” 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 nine-month period ended December 31, 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 nine-month period ended December 31, 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 nine-month period ended December 31, 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 income, ordinary income or income before income taxes and minority interests in the nine-month period ended December 31, 2014.

4. Consolidated Balance Sheets

million yen

Description	As of March 31, 2014	As of December 31, 2014
(Assets)		
Current assets		
Cash and deposits	474,297	563,917
Notes and accounts receivable-trade	28,754	148,803
Short-term investment securities	320,918	356,614
Inventories	160,801	95,511
Other	39,479	36,166
Allowance for doubtful accounts	(114)	(197)
Total current assets	1,024,136	1,200,814
Noncurrent assets		
Property, plant and equipment	94,190	94,011
Intangible assets	12,467	13,508
Investments and other assets	175,616	172,651
Total noncurrent assets	282,274	280,171
Total assets	1,306,410	1,480,986
(Liabilities)		
Current liabilities		
Notes and accounts payable-trade	47,665	123,179
Income taxes payable	14,803	23,874
Provision	2,183	595
Other	90,999	91,477
Total current liabilities	155,652	239,127
Noncurrent liabilities		
Net defined benefit liability	18,558	23,454
Other	13,760	16,117
Total noncurrent liabilities	32,318	39,571
Total liabilities	187,971	278,698
(Net assets)		
Shareholders' equity		
Capital stock	10,065	10,065
Capital surplus	11,734	11,734
Retained earnings	1,378,085	1,427,437
Treasury stock	(270,958)	(270,980)
Total shareholders' equity	1,128,927	1,178,256
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	13,628	17,003
Foreign currency translation adjustment	(24,274)	6,945
Total accumulated other comprehensive income	(10,645)	23,949
Minority interests	157	82
Total net assets	1,118,438	1,202,287
Total liabilities and net assets	1,306,410	1,480,986

5. Consolidated Statements of Income

million yen

Description	Nine months ended December 31, 2013	Nine months ended December 31, 2014
Net sales	499,120	442,920
Cost of sales	349,825	269,976
Gross profit	149,294	172,944
Selling, general and administrative expenses	150,873	141,339
Operating income (loss)	(1,578)	31,604
Non-operating income		
Interest income	4,254	2,970
Foreign exchange gains	48,122	51,089
Other	5,193	6,889
Total non-operating income	57,570	60,949
Non-operating expenses		
Sales discounts	351	161
Other	74	36
Total non-operating expenses	425	197
Ordinary income	55,566	92,356
Extraordinary income		
Gain on sales of noncurrent assets	2	20
Gain on sales of shares of subsidiaries	-	3,587
Reversal of loss on litigation	1,420	-
Total extraordinary income	1,422	3,608
Extraordinary loss		
Loss on disposal of noncurrent assets	53	27
Restructuring loss	-	2,266
Total extraordinary loss	53	2,294
Income before income taxes and minority interests	56,936	93,669
Total income taxes	46,743	34,164
Income before minority interests	10,192	59,505
Minority interests in income	(3)	(10)
Net income	10,195	59,515

6. Consolidated Statements of Comprehensive Income

million yen

Description	Nine months ended December 31, 2013	Nine months ended December 31, 2014
Income before minority interests	10,192	59,505
Other comprehensive income		
Valuation difference on available-for-sale securities	6,501	3,337
Foreign currency translation adjustment	43,049	31,218
Share of other comprehensive income of associates accounted for using equity method	2	37
Total other comprehensive income	49,553	34,593
Comprehensive income	59,746	94,099
(Comprehensive income attributable to)		
Comprehensive income attributable to owners of the parent	59,747	94,110
Comprehensive income attributable to minority interests	(0)	(11)

7. Others

(1) Consolidated sales information

million yen

Category		Nine months ended Dec. 31, 2013	Nine months ended Dec. 31, 2014
Electronic entertainment products	Hardware	286,971	234,835
	Software	210,694	207,128
	Total electronic entertainment products	497,666	441,963
Other	Playing cards, Karuta, etc.	1,453	957
Total		499,120	442,920

[Note] Download sales

Nine months ended December 31, 2013: 18.0 billion yen

Nine months ended December 31, 2014: 21.1 billion yen

(2) Geographical sales breakdown

million yen

		Japan	The Americas	Europe	Other	Total
Nine months ended December 31, 2014	Net sales	119,715	183,408	124,906	14,889	442,920
	Component ratio	27.0%	41.4%	28.2%	3.4%	100.0%
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%

(3) Other consolidated information

million yen

		Nine months ended December 31, 2013	Nine months ended December 31, 2014	Year ending March 31, 2015 (Forecast)
Depreciation of property, plant and equipment		6,155	4,595	7,000
Research and development expenses		43,162	44,799	60,000
Advertising expenses		57,586	44,070	60,000
Average exchange rates	1 USD =	99.39 yen	106.87 yen	108.91 yen
	1 Euro =	132.23 yen	140.30 yen	137.73 yen

Consolidated net sales in U.S. dollars	1.7 billion	1.5 billion	-
Consolidated net sales in Euros	1.0 billion	0.8 billion	-
Non-consolidated purchases in U.S. dollars	1.6 billion	0.7 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 Dec. 31, 2014		As of March 31, 2015
		Balance	Exchange rate	Balance	Exchange rate	Estimated exchange rate
USD	Cash and deposits	2,341		2,064		
	Accounts receivable-trade	82	1 USD = 102.92 yen	598	1 USD = 120.55 yen	1 USD = 115.00 yen
	Accounts payable-trade	105		484		
Euro	Cash and deposits	532	1 Euro =	588	1 Euro =	1 Euro =
	Accounts receivable-trade	99	141.65 yen	331	146.54 yen	130.00 yen

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

			Sales Units in Ten Thousands Number of New Titles Released			
			Actual	Actual	Life-to-date	Forecast
			Apr. - Dec. '13	Apr. - Dec. '14	Dec. '14	Apr. '14-Mar. '15
Nintendo 3DS	Hardware	Japan	422	281	1,870	
		The Americas	410	219	1,677	
		Other	333	208	1,493	
		Total	1,165	708	5,041	900
	of which Nintendo 3DS XL	Japan	303	75	700	
		The Americas	239	160	633	
		Other	202	98	566	
		Total	743	333	1,898	
	of which Nintendo 2DS	Japan	-	-	-	
		The Americas	111	59	173	
		Other	100	90	196	
		Total	211	149	369	
	of which New Nintendo 3DS	Japan	-	56	56	
		The Americas	-	-	-	
Other		-	2	2		
Total		-	58	58		
of which New Nintendo 3DS XL	Japan	-	119	119		
	The Americas	-	-	-		
	Other	-	6	6		
	Total	-	126	126		
Software	Japan	2,208	2,126	8,250		
	The Americas	1,970	1,724	7,272		
	Other	1,547	1,454	6,074		
	Total	5,725	5,304	21,596	6,100	
New titles	Japan	108	80	419		
	The Americas	76	61	333		
	Other	85	76	378		
Wii	Hardware	Japan	4	(0)	1,275	
		The Americas	63	15	4,862	
		Other	40	22	4,007	
		Total	107	38	10,144	50
	Software	Japan	116	28	7,539	
		The Americas	1,228	466	49,563	
		Other	984	511	33,425	
		Total	2,327	1,005	90,527	1,100
	New titles	Japan	3	1	462	
		The Americas	23	8	1,254	
Other		28	13	1,255		
Wii U	Hardware	Japan	83	49	230	
		The Americas	110	164	445	
		Other	48	90	246	
		Total	241	303	920	360
	Software	Japan	347	285	848	
		The Americas	795	1,227	2,925	
		Other	454	547	1,515	
		Total	1,596	2,059	5,287	2,500
	New titles	Japan	27	26	76	
		The Americas	41	22	116	
Other		42	23	107		

[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 While forecasted software sales units include the quantity bundled with hardware for nine months ended December 31, 2014, they do not include the quantity to be bundled with hardware on and after January 1, 2015.