



May 7, 2015

# CONSOLIDATED FINANCIAL STATEMENTS



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

## Consolidated Results for the Years Ended March 31, 2014 and 2015

(Amounts below one million are rounded down)

## (1) Consolidated operating results

	Net sales		Operating income		Ordinary income		Net income	
	million yen	%	million yen	%	million yen	%	million yen	%
Year ended March 31, 2015	549,780	(3.8)	24,770	-	70,530	-	41,843	-
Year ended March 31, 2014	571,726	(10.0)	(46,425)	-	6,086	(41.9)	(23,222)	-

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

	Net income per share	Return on equity	Ordinary income on total assets	Operating income to net sales
	yen	%	%	%
Year ended March 31, 2015	353.49	3.7	5.3	4.5
Year ended March 31, 2014	(183.59)	(2.0)	0.4	(8.1)

## (2) Consolidated financial positions

	Total assets	Net assets	Capital adequacy ratio	Net assets per share
	million yen	million yen	%	yen
As of March 31, 2015	1,352,944	1,167,556	86.3	9,862.52
As of March 31, 2014	1,306,410	1,118,438	85.6	9,447.00

## (3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents - ending
	million yen	million yen	million yen	million yen
Year ended March 31, 2015	60,293	(105,394)	(11,916)	281,539
Year ended March 31, 2014	(23,114)	(20,084)	(127,163)	341,266

## Dividends

	Dividend per share			Dividends in total (annual)	Dividend payout ratio (consolidated basis)	Dividends on net assets (consolidated basis)
	End of 2nd quarter	Year-end	Annual			
	yen	yen	yen	million yen	%	%
Year ended Mar. 2014	0.00	100.00	100.00	11,837	-	1.1
Year ended Mar. 2015	0.00	180.00	180.00	21,306	50.9	1.9
Year ending Mar. 2016 (forecast)	-	-	150.00		51.5	

[Notes]

The end of 2nd quarter (interim) dividend per share for the fiscal year ending March 31, 2016, which is determined based on the policy listed on page 5, is undecided because the financial forecast for the six months ending September 2015 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, 2016**

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent		Net income per share	
	million yen	%	million yen	%	million yen	%	million yen	%	yen	
Year ending Mar. 2016	570,000	3.7	50,000	101.9	55,000	(22.0)	35,000	(16.4)	291.35	

[Notes] Percentages for net sales, operating income etc. show increase (decrease) from previous period.

With respect to this forecast, please refer to page 3 for the forward-looking conditions and other related matters.

**Others**

(1) Changes for important subsidiaries during the fiscal year ended March 31, 2015 : Not applicable

(2) 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 |

[Notes] Detailed information is listed on page 13.

(3) Outstanding shares (common shares)

- |  |                    |                             |                    |
|--|--------------------|-----------------------------|--------------------|
| ① Number of shares outstanding (including treasury shares) |                    |                             |                    |
| As of March 31, 2015 :                                     | 141,669,000 shares | As of March 31, 2014 :      | 141,669,000 shares |
| ② Number of treasury shares                                |                    |                             |                    |
| As of March 31, 2015 :                                     | 23,297,005 shares  | As of March 31, 2014 :      | 23,294,719 shares  |
| ③ Average number of shares                                 |                    |                             |                    |
| Year ended March 31, 2015 :                                | 118,373,089 shares | Year ended March 31, 2014 : | 126,496,060 shares |

**(Reference) Non-consolidated Results**

Non-consolidated Results for the Years Ended March 31, 2014 and 2015

(1) Non-consolidated operating results

	Net sales		Operating income		Ordinary income		Net income	
	million yen	%	million yen	%	million yen	%	million yen	%
Year ended March 31, 2015	366,807	(18.2)	26,483	-	69,887	89.8	41,467	77.7
Year ended March 31, 2014	448,175	(26.3)	(14,776)	-	36,822	59.8	23,333	66.3

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

	Net income per share
	yen
Year ended March 31, 2015	350.31
Year ended March 31, 2014	184.46

(2) Non-consolidated financial positions

	Total assets	Net assets	Capital adequacy ratio	Net assets per share
	million yen	million yen	%	yen
As of March 31, 2015	1,012,341	884,195	87.3	7,469.63
As of March 31, 2014	985,250	849,973	86.3	7,180.39

[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).

## Operating Results

### 1. Analysis of Operations

(1) Fiscal year ended March 31, 2015

Nintendo Co., Ltd. ("the Company") and its consolidated subsidiaries (together with the Company, "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 fiscal year ended March 31, 2015, for "Nintendo 3DS (3DS, 3DS XL, 2DS, New Nintendo 3DS and New Nintendo 3DS XL)," "New Nintendo 3DS/New Nintendo 3DS XL," launched as the newest members of the "Nintendo 3DS" family, got off to a good start and continued to sell well, while the sales of the "Nintendo 3DS" hardware prior to the launch of "New Nintendo 3DS/New Nintendo 3DS XL" did not grow as anticipated, and the global sales of the "Nintendo 3DS" family hardware were 8.73 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 9.94 million units and 6.75 million units sold respectively, while titles such as "Tomodachi Life," "Mario Kart 7," and "The Legend of Zelda: Majora's Mask 3D" also showed steady sales, with all three titles selling more than 2 million units each. There were also a number of hit titles from third-party publishers. As a result, the global sales of the "Nintendo 3DS" software were 62.74 million units.

With respect to "Wii U," Nintendo released two hit titles, "Mario Kart 8" and "Super Smash Bros. for Wii U," which enjoyed robust sales of 5.11 million units and 3.65 million units respectively. These titles continued to perform well especially overseas, and the global sales of the "Wii U" hardware and software reached 3.38 million and 24.40 million units respectively.

Net sales as a result were 549.7 billion yen (of which overseas sales were 414.7 billion yen or 75.4% of the total sales) and operating income was 24.7 billion yen. As a result of foreign exchange gains totaling 34.0 billion yen due to depreciation of the yen against the U.S. dollar at the end of the period compared to the exchange rate at the end of the previous fiscal year, ordinary income was 70.5 billion yen and net income was 41.8 billion yen.

(2) Outlook for fiscal year ending March 31, 2016

For "Nintendo 3DS" and "Wii U," in addition to maintaining the performance of already-released titles with strong sales potential, new titles will continue to be introduced in order to further expand the installed bases. Specifically, by sequentially introducing additional download content for blockbuster titles such as "Mario Kart 8" and "Super Smash Bros. for Nintendo 3DS/Wii U," we aim to keep these titles played more actively. For "Nintendo 3DS," the exclusive "New Nintendo 3DS/New Nintendo 3DS XL" title "Xenoblade Chronicles 3D," and other first party titles such as "Rhythm Tengoku (temp.)" and "New Fire Emblem Game (temp.)" will be released. In addition, a number of key titles from third-party publishers are scheduled for release. For "Wii U," in addition to titles such as "Splatoon" and "Yoshi's Woolly World," "Mario Maker (temp.)" which offers a new taste to the 2D Mario series will be released this year marking the 30th year since the launch of the original "Super Mario Bros." game.

Meanwhile, for "amiibo," which was launched last year, new "amiibo" cards and yarn-knitted "amiibo" will be added to the "amiibo" lineup. We aim to stimulate demand for "amiibo" by expanding compatible software titles and by releasing the Nintendo 3DS NFC Reader/Writer accessory for Nintendo 3DS, Nintendo 3DS XL and Nintendo 2DS.

In addition, a new source of revenue is expected from a gaming application for smart devices which will be released this year.

Based on these efforts, we project, for the fiscal year ending March 31, 2016, net sales of 570.0 billion yen, an operating income of 50.0 billion yen, an ordinary income of 55.0 billion yen and profit attributable to owners of parent of 35.0 billion yen. Unit sales of the major products used for the forecast are listed on page 16 under the heading of "(5) Consolidated sales units, number of new titles, and sales units forecast" in the "Others" section. Exchange rate assumptions for the major currencies used for the forecasts are 120 yen per U.S. dollar and 125 yen per euro.

[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).

## 2. Financial Positions

### (1) Situation of assets, liabilities, and net assets

Total assets increased by 46.5 billion yen compared to the previous fiscal year-end to 1,352.9 billion yen mainly due to the depreciation of the yen against the U.S. dollar at the end of the fiscal year compared to the previous fiscal year-end. Total liabilities decreased by 2.5 billion yen compared to the previous fiscal year-end to 185.3 billion yen mainly due to a decrease in other current liabilities. Net assets increased by 49.1 billion yen compared to the previous fiscal year-end to 1,167.5 billion yen primarily due to increases in retained earnings.

### (2) Situation of cash flow

The ending balance of "Cash and cash equivalents" (collectively, "Cash") as of March 31, 2015 was 281.5 billion yen, with a decrease of 59.7 billion yen during the fiscal year. During the previous fiscal year, there was a decrease of 128.1 billion yen. Net increase (decrease) of Cash and contributing factors during the fiscal year ended March 31, 2015 are as follows:

#### Cash flows from operating activities:

There were decreasing factors contributing to 72.0 billion yen of income before income taxes and minority interests such as yen depreciation of foreign exchanges, payment of various expenses and income taxes. However, due to increasing factors such as decrease of inventory, net cash resulted in an increase of 60.2 billion yen compared to a decrease of 23.1 billion yen last year.

#### Cash flows from investing activities:

Net cash from investing activities decreased by 105.3 billion yen compared to a decrease of 20.0 billion yen last year mainly due to payments into time deposits and purchase of short-term and long-term investment securities exceeding proceeds from withdrawal of time deposits sales of short-term and long-term investment securities.

#### Cash flows from financing activities:

Net cash from financing activities decreased by 11.9 billion yen compared to a decrease of 127.1 billion yen last year mainly due to payments of cash dividends.

#### Cash flow index trend

	As of March 31, 2011	As of March 31, 2012	As of March 31, 2013	As of March 31, 2014	As of March 31, 2015
Capital adequacy ratio	78.4 %	87.0 %	84.8 %	85.6 %	86.3 %
Capital adequacy ratio at market value	175.8	116.3	89.3	111.1	154.6

[Notes] Capital adequacy ratio: The sum of total "Shareholders' equity" and total "Accumulated other comprehensive income" divided by total assets

Capital adequacy ratio at market value: Total market value of stocks divided by total assets

\*Percentage figures are calculated on a consolidated basis.

\*Total market value of stocks is calculated by multiplying closing price by the number of shares outstanding (excluding treasury shares) at the end of the period.

### **3. Basic Policy of Profit Distribution and Dividends**

It is the Company's basic policy to internally provide the capital necessary to fund future growth, including capital investments, and to maintain a strong and liquid financial position in preparation for changes in the business environment and intensified competition. As for direct profit returns to our shareholders, dividends are paid based on profit levels achieved in each fiscal period.

The annual dividend per share will be established at the higher of the amount calculated by dividing 33% of consolidated operating income by the total number of outstanding shares, excluding treasury shares, as of the end of the fiscal year rounded up to the 10 yen digit, and the amount calculated based on the 50% consolidated payout ratio rounded up to the 10 yen digit.

The end of 2nd quarter (interim) dividend per share is calculated by dividing 33% of consolidated operating income by the total number of outstanding shares, excluding treasury shares, as of the end of the six-month period rounded up to the 10 yen digit.

As a result, the dividend for the fiscal year ended March 31, 2015 has been established at 180 yen (interim: no dividend, year-end: 180 yen) and dividend for fiscal year ending March 31, 2016 will be 150 yen if earnings are in line with the financial forecast herein. The end of 2nd quarter dividends are yet to be determined as there are no interim financial forecasts, but there are no changes to our dividend policy.

Retained earnings are maintained for effective use in research of new technology and development of new products, capital investments and securing materials, enhancement of selling power including advertisements, and treasury share buyback whenever deemed appropriate.

### **4. Management Policy**

#### **(1) Basic management policy**

Nintendo strives to create new and unique forms of entertainment while maintaining a robust business structure. Nintendo places the highest emphasis on providing consumers with innovative entertainment that has never been experienced.

#### **(2) Targeted management index**

Nintendo aims to improve its corporate value by providing new and entertaining products consistently and sustaining robust growth and increasing profit. Because Nintendo deals with entertainment products, which by nature hold many uncertainties in terms of their product development, and operates in a market which involves intense competition, flexible business decisions are made without being constrained by any specific management index.

#### **(3) Medium and long-term management strategy and challenges**

In the belief that the true value of entertainment lies in individuality, Nintendo continues to provide unique products and services by positioning as its core business strategy the dedicated video game platform business of hardware and software integration. Moving forward, Nintendo will continue to offer premium gameplay experiences on Nintendo's dedicated game platforms. Furthermore, a new game business which utilizes Nintendo IP on smart devices will start rolling out this year. As control methods and game play environments differ between dedicated video game platforms and smart devices, even if the same IP is used for both platforms, the games will not be the same; they will be optimized for each platform. In this way, Nintendo will maximize the value of its IP by encouraging a broader audience to experience its appeal and drive the expansion of the gaming population.

For Nintendo IP, a more active approach will be taken in areas outside the video game business, including visual content production and character merchandising. By flexibly selecting the optimal method of communication for each individual IP in order to increase visibility for a wider audience, a certain level of revenue from the IP licensing business is expected and at the same time we aim to increase the opportunity for more consumers to become familiar with our games.

Moreover, by redefining entertainment as something that improves people's QOL (Quality of Life) in enjoyable ways, Nintendo aims to deploy a new platform business that improves people's QOL in enjoyable ways in a new area that is different from that of dedicated video game systems. For the QOL business, a unique approach will be taken by utilizing Nintendo's strength as an entertainment company.

With its mission to put smiles on the faces of everyone it touches, Nintendo will continue to offer new and unique propositions.

### **5. Basic Policy on the Selection of Accounting Standards**

Nintendo is preparing for mandatory International Financial Reporting Standards adoption by attending seminars held by outside agencies to collect information, and conducting a deliberation on its adoption. However, the effective date has not been determined.

## Consolidated Balance Sheets

million yen

Description	As of March 31, 2014	As of March 31, 2015
<b>(Assets)</b>		
<b>Current assets</b>		
Cash and deposits	474,297	534,706
Notes and accounts receivable-trade	28,754	55,794
Securities	320,918	380,587
Inventories	160,801	76,897
Deferred tax assets	17,637	15,597
Other	21,841	34,466
Allowance for doubtful accounts	(114)	(451)
<b>Total current assets</b>	<b>1,024,136</b>	<b>1,097,597</b>
<b>Non-current assets</b>		
Property, plant and equipment		
Buildings and structures, net	26,340	42,447
Machinery, equipment and vehicles, net	1,620	1,330
Tools, furniture and fixtures, net	4,249	4,770
Land	42,859	42,925
Construction in progress	19,120	14
Total property, plant and equipment	94,190	91,488
Intangible assets		
Software	10,559	11,190
Other	1,908	1,240
Total intangible assets	12,467	12,430
Investments and other assets		
Investment securities	122,885	96,294
Deferred tax assets	34,214	30,558
Net defined benefit asset	4,746	9,174
Other	13,769	15,399
Allowance for doubtful accounts	(0)	(0)
Total investments and other assets	175,616	151,426
<b>Total non-current assets</b>	<b>282,274</b>	<b>255,346</b>
<b>Total assets</b>	<b>1,306,410</b>	<b>1,352,944</b>

million yen

Description	As of March 31, 2014	As of March 31, 2015
<b>(Liabilities)</b>		
<b>Current liabilities</b>		
Notes and accounts payable-trade	47,665	58,464
Income taxes payable	14,803	16,529
Provision for bonuses	2,183	2,220
Other	90,999	67,018
<b>Total current liabilities</b>	<b>155,652</b>	<b>144,232</b>
<b>Non-current liabilities</b>		
Net defined benefit liability	18,558	25,416
Other	13,760	15,739
<b>Total non-current liabilities</b>	<b>32,318</b>	<b>41,155</b>
<b>Total liabilities</b>	<b>187,971</b>	<b>185,387</b>
<b>(Net assets)</b>		
<b>Shareholders' equity</b>		
Capital stock	10,065	10,065
Capital surplus	11,734	11,734
Retained earnings	1,378,085	1,409,764
Treasury shares	(270,958)	(270,986)
<b>Total shareholders' equity</b>	<b>1,128,927</b>	<b>1,160,578</b>
<b>Accumulated other comprehensive income</b>		
Valuation difference on available-for-sale securities	13,628	16,671
Foreign currency translation adjustment	(24,274)	(9,804)
<b>Total accumulated other comprehensive income</b>	<b>(10,645)</b>	<b>6,866</b>
<b>Minority interests</b>	<b>157</b>	<b>110</b>
<b>Total net assets</b>	<b>1,118,438</b>	<b>1,167,556</b>
<b>Total liabilities and net assets</b>	<b>1,306,410</b>	<b>1,352,944</b>

## Consolidated Statements of Income

million yen

Description	Year ended March 31, 2014	Year ended March 31, 2015
Net sales	571,726	549,780
Cost of sales	408,506	335,196
<b>Gross profit</b>	<b>163,219</b>	<b>214,584</b>
Selling, general and administrative expenses	209,645	189,814
<b>Operating income (loss)</b>	<b>(46,425)</b>	<b>24,770</b>
Non-operating income		
Interest income	5,279	4,018
Foreign exchange gains	39,287	34,051
Gain on redemption of securities	2,299	5,233
Other	6,271	2,740
Total non-operating income	53,136	46,043
Non-operating expenses		
Sales discounts	440	205
Other	184	77
Total non-operating expenses	624	283
<b>Ordinary income</b>	<b>6,086</b>	<b>70,530</b>
Extraordinary income		
Gain on sales of non-current assets	3,502	47
Gain on sales of shares of subsidiaries	-	3,689
Reversal of loss on litigation	1,420	-
Total extraordinary income	4,922	3,737
Extraordinary losses		
Loss on disposal of non-current assets	79	446
Restructuring loss	-	1,729
Total extraordinary losses	79	2,176
<b>Income before income taxes and minority interests</b>	<b>10,929</b>	<b>72,091</b>
Income taxes-current	16,781	25,922
Income taxes-deferred	17,350	4,306
Total income taxes	34,132	30,228
<b>Income (loss) before minority interests</b>	<b>(23,202)</b>	<b>41,862</b>
Minority interests in income	20	18
<b>Net income (loss)</b>	<b>(23,222)</b>	<b>41,843</b>



## Consolidated Statements of Comprehensive Income

million yen

Description	Year ended March 31, 2014	Year ended March 31, 2015
<b>Income (loss) before minority interests</b>	(23,202)	41,862
Other comprehensive income		
Valuation difference on available-for-sale securities	4,833	2,962
Foreign currency translation adjustment	36,145	14,468
Share of other comprehensive income of entities accounted for using equity method	196	79
Total other comprehensive income	41,174	17,511
<b>Comprehensive income</b>	<b>17,971</b>	<b>59,373</b>
(Comprehensive income attributable to)		
Comprehensive income attributable to owners of parent	17,946	59,356
Comprehensive income attributable to minority interests	25	17

**Consolidated Statements of Changes in Equity**

Year ended March 31, 2014 (April 1, 2013 - March 31, 2014)

million yen

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance as of April 1, 2013	10,065	11,734	1,414,095	(156,692)	1,279,203
Changes of items during period					
Dividends from surplus	-	-	(12,787)	-	(12,787)
Net income (loss)	-	-	(23,222)	-	(23,222)
Purchase of treasury shares	-	-	-	(114,266)	(114,266)
Disposal of treasury shares	-	0	-	0	0
Net changes of items other than shareholders' equity	-	-	-	-	-
Total changes of items during period	-	0	(36,010)	(114,266)	(150,276)
Balance as of March 31, 2014	10,065	11,734	1,378,085	(270,958)	1,128,927

	Accumulated other comprehensive income			Minority interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Total accumulated other comprehensive income		
Balance as of April 1, 2013	8,599	(60,414)	(51,815)	131	1,227,520
Changes of items during period					
Dividends from surplus	-	-	-	-	(12,787)
Net income (loss)	-	-	-	-	(23,222)
Purchase of treasury shares	-	-	-	-	(114,266)
Disposal of treasury shares	-	-	-	-	0
Net changes of items other than shareholders' equity	5,029	36,140	41,169	25	41,194
Total changes of items during period	5,029	36,140	41,169	25	(109,081)
Balance as of March 31, 2014	13,628	(24,274)	(10,645)	157	1,118,438

## Consolidated Statements of Changes in Equity

Year ended March 31, 2015 (April 1, 2014 - March 31, 2015)

million yen

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance as of April 1, 2014	10,065	11,734	1,378,085	(270,958)	1,128,927
Cumulative effects of changes in accounting policies	-	-	1,673	-	1,673
Restated balance as of April 1, 2014	10,065	11,734	1,379,758	(270,958)	1,130,600
Changes of items during period					
Dividends from surplus	-	-	(11,837)	-	(11,837)
Net income	-	-	41,843	-	41,843
Purchase of treasury shares	-	-	-	(27)	(27)
Disposal of treasury shares	-	-	-	-	-
Net changes of items other than shareholders' equity	-	-	-	-	-
Total changes of items during period	-	-	30,006	(27)	29,978
Balance as of March 31, 2015	10,065	11,734	1,409,764	(270,986)	1,160,578

	Accumulated other comprehensive income			Minority interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Total accumulated other comprehensive income		
Balance as of April 1, 2014	13,628	(24,274)	(10,645)	157	1,118,438
Cumulative effects of changes in accounting policies	-	-	-	-	1,673
Restated balance as of April 1, 2014	13,628	(24,274)	(10,645)	157	1,120,112
Changes of items during period					
Dividends from surplus	-	-	-	-	(11,837)
Net income	-	-	-	-	41,843
Purchase of treasury shares	-	-	-	-	(27)
Disposal of treasury shares	-	-	-	-	-
Net changes of items other than shareholders' equity	3,042	14,469	17,512	(46)	17,466
Total changes of items during period	3,042	14,469	17,512	(46)	47,444
Balance as of March 31, 2015	16,671	(9,804)	6,866	110	1,167,556

## Consolidated Statements of Cash Flows

million yen

Description	Year Ended March 31, 2014	Year Ended March 31, 2015
<b>Cash flows from operating activities</b>		
Income before income taxes and minority interests	10,929	72,091
Depreciation	9,918	9,011
Increase (decrease) in allowance for doubtful accounts	(358)	310
Increase (decrease) in net defined benefit liability	734	3,755
Interest and dividend income	(5,575)	(4,330)
Foreign exchange losses (gains)	(41,943)	(33,261)
Share of (profit) loss of entities accounted for using equity method	(2,627)	(952)
Decrease (increase) in notes and accounts receivable-trade	20,374	(24,198)
Decrease (increase) in inventories	35,529	88,204
Increase (decrease) in notes and accounts payable-trade	(56,940)	3,558
Increase (decrease) in accrued consumption taxes	174	(82)
Other, net	78	(36,506)
Sub-total	(29,708)	77,599
Interest and dividends income received	6,923	4,861
Interest expenses paid	(0)	(3)
Income taxes (paid) refund	(329)	(22,164)
<b>Net cash provided by (used in) operating activities</b>	<b>(23,114)</b>	<b>60,293</b>
<b>Cash flows from investing activities</b>		
Payments into time deposits	(210,503)	(756,613)
Proceeds from withdrawal of time deposits	50,250	651,117
Purchase of property, plant and equipment and intangible assets	(19,540)	(4,582)
Proceeds from sales of property, plant and equipment and intangible assets	6,530	191
Purchase of short-term and long-term investment securities	(1,071,026)	(736,367)
Proceeds from sales and redemption of short-term and long-term investment securities	1,224,457	740,525
Other, net	(252)	334
<b>Net cash provided by (used in) investing activities</b>	<b>(20,084)</b>	<b>(105,394)</b>
<b>Cash flows from financing activities</b>		
Cash dividends paid	(12,802)	(11,835)
Purchase of treasury shares	(114,266)	(27)
Other, net	(93)	(52)
<b>Net cash provided by (used in) financing activities</b>	<b>(127,163)</b>	<b>(11,916)</b>
<b>Effect of exchange rate change on cash and cash equivalents</b>	<b>42,233</b>	<b>(2,710)</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(128,128)</b>	<b>(59,727)</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>469,395</b>	<b>341,266</b>
<b>Cash and cash equivalents at end of period</b>	<b>341,266</b>	<b>281,539</b>

## Notes Pertaining to Consolidated Financial Statements

### Changes in accounting procedures

#### Application of accounting principles for retirement benefits

Effective beginning the fiscal year ended March 31, 2015, 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 March 26, 2015) 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 fiscal year ended March 31, 2015.

As a result, net defined benefit liability and net defined asset have increased by 484 million yen and 3,078 million yen respectively at the beginning of the fiscal year ended March 31, 2015, 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 fiscal year ended March 31, 2015.

### Additional Information

Following the promulgation on March 31, 2015 of "Act for Partial Amendment of the Income Tax Act, etc." (Act No. 9 of 2015) and "Act for Partial Amendment of the Council Tax Act, etc." (Act No. 2 of 2015), the effective statutory tax rate used to measure deferred tax assets and liabilities was changed from 35.5% to 33.0% for temporary differences expected to be eliminated in the fiscal year beginning on April 1, 2015 and to 32.2% for temporary differences expected to be eliminated in the fiscal year beginning on and after April 1, 2016.

As a result, deferred tax assets after offsetting deferred tax liabilities decreased by 3,678 million yen and valuation difference on available-for-sale securities increased by 649 million yen. Income taxes-deferred increased by 4,327 million yen.

### Notes pertaining to consolidated balance sheets and statements of cash flows

(Consolidated balance sheets information)	million yen	million yen
	As of March 31, 2014	As of March 31, 2015
Accumulated depreciation	63,136	68,416

### (Consolidated statements of cash flows information)

"Cash and cash equivalents at end of period" were reconciled to "Cash and deposits" in the accompanying consolidated balance sheets as of March 31, 2014 and 2015 as follows:

	million yen	million yen
	Year ended March 31, 2014	Year ended March 31, 2015
Cash and deposits	474,297	534,706
Time deposits with maturities of more than three months	(202,488)	(335,217)
Short-term investments with an original maturity of three months or less	69,458	82,050
Cash and cash equivalents	341,266	281,539

#### Events After the Reporting Period

At the meeting of Board of Directors held on March 17, 2015, Nintendo resolved to enter into a business and capital alliance with DeNA Co., Ltd. ("DeNA") and to acquire DeNA's common stock, simultaneously to allocate Nintendo's treasury shares to DeNA by means of a third-party allotment. Following the resolutions, Nintendo acquired and allocated such shares on April 2, 2015.

#### Description of business alliance

(1) Joint development and operation of gaming applications for smart devices using Nintendo's intellectual property, including its characters.

(2) Joint development of a new multi-device membership service.

#### Description of capital alliance

In addition to the business alliance, the two companies have formed the capital alliance in order to create synergies between their businesses and strengthen their relationship in the medium to long term.

(1) Nintendo acquired 15,081,000 of DeNA's common stock for 21,988 million yen (1,458 yen per share) by means of a third-party allotment.

(2) Nintendo allocated 1,759,400 of its treasury shares to DeNA for 21,987 million yen (12,497 yen per share) by means of a third-party allotment.

## Others

(1) Consolidated sales information million yen

Category		Year ended March 31, 2014	Year ended March 31, 2015
Electronic entertainment products	Hardware		
	Handheld	201,767	149,616
	Home console	89,569	105,548
	Others	24,688	38,204
	Hardware total	316,026	293,370
	Software		
	Handheld	167,268	149,941
	Home console	64,788	84,742
Content income, etc.	21,768	20,589	
Software total	253,826	255,273	
Electronic entertainment products total	569,852	548,643	
Other	Playing cards, Karuta, etc.	1,874	1,137
Total		571,726	549,780

[Note] Download sales

Year ended March 31, 2014: 24.0 billion yen

Year ended March 31, 2015: 31.3 billion yen

(2) Geographical sales breakdown million yen

		Japan	The Americas	Europe	Other	Total
Year ended March 31, 2015	Net Sales	135,049	241,646	154,338	18,746	549,780
	Component ratio	24.6%	44.0%	28.1%	3.3%	100.0%
Year ended March 31, 2014	Net Sales	176,957	219,606	158,562	16,599	571,726
	Component ratio	31.0%	38.4%	27.7%	2.9%	100.0%

(3) Other consolidated information million yen

	Year ended March 31, 2014	Year ended March 31, 2015	Year ending March 31, 2016 (Forecast)
Capital investments	38,529	11,175	13,000
Depreciation of property, plant and equipment	8,116	6,401	6,000
Research and development expenses	71,736	63,336	65,000
Advertising expenses	70,264	54,834	57,000
Number of employees (at year-end)	5,213	5,120	-
Average exchange rates			
1 USD =	100.24 yen	109.93 yen	120.00 yen
1 Euro =	134.37 yen	138.77 yen	125.00 yen

Consolidated net sales in U.S. dollars	1.9 billion	2.0 billion	-
Consolidated net sales in Euros	1.1 billion	1.1 billion	-
Non-consolidated purchases in U.S. dollars	1.7 billion	0.9 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 March 31, 2015		As of March 31, 2016
		Balance	Exchange rate	Balance	Exchange rate	Estimated exchange rate
USD	Cash and deposits	2,341		2,038		
	Accounts receivable-trade	82	1 USD=	233	1 USD=	1 USD=
	Accounts payable-trade	105	102.92 yen	159	120.17 yen	120.00 yen
Euro	Cash and deposits	532	1 Euro=	778	1 Euro=	1 Euro=
	Accounts receivable-trade	99	141.65 yen	108	130.32 yen	125.00 yen

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

			Actual		Sales Units in Ten Thousands Number of New Titles Released	
			Apr. '13-Mar. '14	Apr. '14-Mar. '15	Life-to-date Mar. '15	Forecast Apr. '15-Mar. '16
Nintendo 3DS	Hardware	Japan	435	307	1,896	
		The Americas	433	293	1,751	
		Other	356	274	1,559	
		Total	1,224	873	5,206	760
	of which Nintendo 3DS XL	Japan	312	76	701	
		The Americas	259	162	635	
		Other	217	103	570	
		Total	787	341	1,907	
	of which Nintendo 2DS	Japan	-	-	-	
		The Americas	114	63	177	
		Other	106	92	198	
		Total	220	155	376	
	of which New Nintendo 3DS	Japan	-	59	59	
The Americas		-	-	-		
Other		-	23	23		
Total		-	82	82		
of which New Nintendo 3DS XL	Japan	-	134	134		
	The Americas	-	67	67		
	Other	-	44	44		
	Total	-	245	245		
Software	Japan	2,677	2,402	8,526		
	The Americas	2,273	2,131	7,679		
	Other	1,839	1,742	6,362		
	Total	6,789	6,274	22,566	5,600	
New titles	Japan	129	101	440		
	The Americas	89	78	350		
	Other	109	92	394		
Wii	Hardware	Japan	4	(0)	1,275	
		The Americas	71	18	4,865	
		Other	48	27	4,012	
		Total	122	46	10,152	10
	Software	Japan	128	32	7,543	
		The Americas	1,365	542	49,639	
		Other	1,124	599	33,513	
		Total	2,616	1,173	90,695	400
	New titles	Japan	3	1	462	
		The Americas	24	8	1,254	
Wii U	Hardware	Japan	89	53	233	
		The Americas	129	185	465	
		Other	55	100	256	
		Total	272	338	954	340
	Software	Japan	389	333	895	
		The Americas	970	1,461	3,159	
		Other	527	646	1,613	
		Total	1,886	2,440	5,668	2,300
	New titles	Japan	30	30	80	
		The Americas	50	25	119	
		Other	47	26	110	

## [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.