

Outline of consolidated financial results for the six months ended September 30, 2016 and consolidated earnings forecast for the fiscal year ending March 31, 2017

This outline is based on the documents “Earnings Release,” “Supplementary Information about Earnings Release,” “Notice of Full-Year Financial Forecast Modifications,” “Notice Regarding the Record of Non-Operating Income (Share of Profit of Entities Accounted for Using Equity Method),” “Notice Regarding the Record of Extraordinary Income (Gain on Sales of Investment Securities),” and “Notice of Dividend (end of 2nd quarter) and Dividend Forecast Modifications” for the 2nd quarter of the fiscal year ending March 31, 2017.

1. Briefing of consolidated financial results for the six months ended September 30, 2016

- Consolidated operating results for the six months ended September 30, 2015 and 2016

	Six months ended Sep. 30, 2015	Six months ended Sep. 30, 2016	Comparison
Net Sales	204.1 billion yen	136.8 billion yen	-67.3 billion yen
Gross profit	93.6 billion yen	61.5 billion yen	-32.1 billion yen
(Gross Profit Ratio)	(45.9%)	(45.0%)	
Operating Income	8.9 billion yen	-5.9 billion yen	-14.8 billion yen
(Operating Income Ratio)	(4.4%)	(-4.3%)	
Ordinary Income	16.4 billion yen	-30.8 billion yen	-47.2 billion yen
(Ordinary Income Ratio)	(8.0%)	(-22.6%)	
Profit Attributable to Owners of Parent	11.4 billion yen	38.2 billion yen	26.8 billion yen
(Profit Attributable to Owners of Parent Ratio)	(5.6%)	(28.0%)	

(Net sales)

For Nintendo 3DS, the release of the smart device application *Pokémon GO* led to increased sales of software in the Pokémon series released in the past and drove the Nintendo 3DS family hardware sales growth, particularly outside of Japan. On the hardware side, Nintendo 2DS saw sales growth. The overall sales units of the Nintendo 3DS hardware were up compared to the same period of the previous fiscal year, while software held steady with the previous year.

With respect to the Wii U console, we have decided to ship 0.8 million units this fiscal year, based on our forecasts of comprehensive demand for Nintendo hardware. Activity has conformed to our

expectations from the start of the fiscal year, and sales units of the Wii U hardware were down. Wii U software sales units also decreased.

Along with these factors, both the sales of amiibo and download sales have decreased while we saw the impacts of a stronger yen. As a result, net sales were down compared to the same period of the previous fiscal year.

(Gross profit)

The gross profit compared to the same period of the previous fiscal year decreased by 34.3% to 61.5 billion yen mainly due to the impacts of a stronger yen.

(Operating income/loss)

Because of a decrease in gross profit by 34% due to decreased net sales, general and administrative expenses exceeded gross profit, which led to an operating loss of 5.9 billion yen.

(Ordinary income/loss)

We have included 12.0 billion yen of share of profit of entities accounted for using the equity method related to The Pokémon Company and other companies, but we incurred foreign exchange losses totaling 39.9 billion yen, resulting in an ordinary loss of 30.8 billion yen.

(Profit attributable to owners of parent)

Due to the sale of part of our ownership in the company that manages the Seattle Mariners Major League Baseball team, we recorded gain on sales of investment securities totaling 62.7 billion yen as extraordinary income, meaning that profit attributable to owners of parent was 38.2 billion yen.

2. Briefing of consolidated earnings forecast for the fiscal year ending March 31, 2017

The earnings forecast as set forth on April 27, 2016, was modified in consideration of the revision of assumed exchange rates due to the stronger-than-expected yen, and gain on sales of investment securities totaling 62.7 billion yen recorded as extraordinary income since we have sold part of our ownership in the company, which operates the Seattle Mariners Major League Baseball team.

- Consolidated earnings forecasts for the fiscal year ending March 31, 2017 are as follows:

	Previous forecast announced on April 27,2016	Modified forecast announced on October 26, 2016
Net Sales	500.0 billion yen	470.0 billion yen
Operating Income	45.0 billion yen	30.0 billion yen
Ordinary Income	45.0 billion yen	10.0 billion yen
Profit Attributable to Owners of Parent	35.0 billion yen	50.0 billion yen

Assumed exchange rates after the second quarter and at the end of the fiscal year have been revised from 110 yen to 100 yen per U.S. dollar and from 125 yen to 115 yen per euro.

- Forecasted unit sales for the fiscal year ending March 31, 2017 are as follows:

	Previous forecast announced on April 27,2016	Modified forecast announced on October 26, 2016※	comparison
Nintendo 3DS Hardware	5.0 million units	6.0 million units	1.0 million units
Nintendo 3DS Software	55.0 million units	55.0 million units	-
Wii U Hardware	0.8 million units	0.8 million units	-
Wii U Software	15.0 million units	14.0 million units	-1.0 million units

※ While forecasted software sales units include the quantity bundled with hardware for six months ended September 30, 2016, they do not include the quantity to be bundled with hardware on and after October 1, 2016.

Reflecting the modifications of consolidated earnings forecasts, the dividend forecast for annual and the year-end dividend of the fiscal year ending March 31, 2017 was modified from 150 yen to 210 yen per share.

For the Nintendo 3DS system, we are planning global release of the latest titles in the Pokémon series, *Pokémon Sun/Moon*, in November, as well as the Nintendo 3DS version of last year's major hit for Wii U, *Super Mario Maker for Nintendo 3DS*, in December. We continue our efforts to maximize the sales and to reach a broader audience, including children and female consumers.

We have also revealed that our new-concept gaming system, previously referred to using the development codename NX, will be released under the official name of Nintendo Switch. Nintendo Switch offers a wholly new concept as a home gaming system that can switch between different styles of play. We are planning to release it worldwide in March 2017.

We are also bringing back the NES home consoles that were popular in the 1980s in a palm-sized version. Nintendo Entertainment System: NES Classic Edition will launch with 30 well-loved pre-installed titles worldwide in November.

On the smart device front, *Super Mario Run*, a new action game featuring Mario optimized for smart devices, is set to launch globally in December. *Fire Emblem* and *Animal Crossing* applications will follow the release of *Super Mario Run* in series.

We strive to create Nintendo-like unique forms of entertainment that has never been experienced for consumers around the world.

Forecasts referred to above are based upon management's assumptions with information available at the time the announcement was made and, therefore, involve known and unknown risks and uncertainties. Please note that such risks and uncertainties may cause actual results to be materially different from the forecasts (earnings forecast, dividend forecast and other forecasts).