



MEMBERSHIP

October 30, 2017

CONSOLIDATED FINANCIAL HIGHLIGHTS



Nintendo Co., Ltd.
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Japan

Consolidated Results for the Six Months Ended September 30, 2016 and 2017

(1) Consolidated operating results

(Amounts below one million yen are rounded down)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	million yen	%	million yen	%	million yen	%	million yen	%
Six months ended September 30, 2017	374,041	173.4	39,961	-	69,591	-	51,503	34.5
Six months ended September 30, 2016	136,812	(33.0)	(5,947)	-	(30,883)	-	38,299	234.0

[Note]

Percentages for net sales, operating profit etc. show increase (decrease) from the same period of the previous fiscal year.

	Profit per share	
	yen	
Six months ended September 30, 2017	428.94	
Six months ended September 30, 2016	318.82	

(2) Consolidated financial positions

	Total assets	Net assets	Capital adequacy ratio
	million yen	million yen	%
As of September 30, 2017	1,626,122	1,276,373	78.2
As of March 31, 2017	1,468,978	1,250,972	85.2

Dividends

	Dividend per share					
	End of 1st quarter	End of 2nd quarter	End of 3rd quarter	Year-end	Annual	
	yen		yen		yen	
Year ended March 31, 2017	-	0.00	-	430.00	430.00	
Year ending March 31, 2018	-	110.00	-	-	-	
Year ending March 31, 2018 (forecast)	-	-	-	250.00	360.00	

Consolidated Financial Forecast for the Fiscal Year Ending March 31, 2018

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Profit per share
	million yen	%	million yen	%	million yen	%	million yen	%	yen
Year ending March 31, 2018	960,000	96.3	120,000	308.7	125,000	148.2	85,000	(17.1)	707.75

[Note]

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

Others

(1) Changes for important subsidiaries during the six-month period ended September 30, 2017 : Applicable
 Newly consolidated: Nintendo Sales Co., Ltd.

(2) Application of peculiar methods for accounting procedures : Applicable

(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 shares)			
As of Sept. 30, 2017 :	141,669,000 shares	As of Mar. 31, 2017 :	141,669,000 shares
② Number of treasury shares			
As of Sept. 30, 2017 :	21,542,077 shares	As of Mar. 31, 2017 :	21,541,341 shares
③ Average number of shares			
Six months ended		Six months ended	
Sept. 30, 2017 :	120,071,575 shares	Sept. 30, 2016 :	120,128,975 shares

[Notes]

1. This earnings release report is not subject to quarterly review procedures based on the Financial Instruments and Exchange Act.
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 six months ended September 30, 2017, for Nintendo Switch, *Splatoon 2* released in July gained popularity both in Japan and overseas, with 3.61 million units sold globally. *Mario Kart 8 Deluxe* and *ARMS* also both sold well after their releases in April and June, respectively. All told, the sales volume for the Nintendo Switch hardware and software during this period came to 4.89 million units and 22.02 million units respectively.

Sales of the Nintendo 3DS family were given an increase with the global release of New Nintendo 2DS XL in June and July. Hardware sales came in at 2.86 million units (5% increase on a year-on-year basis). Despite firm sales of *Fire Emblem Echoes: Shadows of Valentia* and *Metroid: Samus Returns*, overall software sales were 13.82 million units (28% decrease on a year-on-year basis).

In addition, Super Nintendo Entertainment System: Super NES Classic Edition was off to a good start following its September launch (launched on October 5 in Japan). We also made moves to expand our amiibo line, by launching the new *Splatoon* series amiibo. Our amiibo sales were approximately 5.10 million units for figure-type and approximately 2.80 million units for card-type.

Download sales were increased in particular by Nintendo Switch software, pushing total download sales up to 22.8 billion yen (55% increase on a year-on-year basis).

For smart devices, many consumers are continuing to enjoy *Super Mario Run* and *Fire Emblem Heroes*, released during the previous fiscal year. Our smart device and IP related income was 17.9 billion yen (426% increase on a year-on-year basis).

With this background, our total sales reached 374.0 billion yen (of which overseas sales were 272.3 billion yen or 72.8% of the total sales). Operating profit came to 39.9 billion yen, ordinary profit was 69.5 billion yen, and profit attributable to owners of parent reached 51.5 billion yen.

2. Consolidated Financial Forecast

For Nintendo Switch, we plan to release *Super Mario Odyssey* in October both in Japan and overseas. We are planning to release *Xenoblade Chronicles 2* in December, and other big titles in the months ahead, including titles from other software publishers.

For Nintendo 3DS, we will be launching new colors and special designs for New Nintendo 2DS XL, and we also have new software titles slated for release, including *Pokémon Ultra Sun* and *Pokémon Ultra Moon* scheduled for launch in November both in Japan and overseas.

In our smart device business, *Animal Crossing: Pocket Camp*, our new game application, will be introduced first in Australia on October 25, with distribution to the rest of the world scheduled for late November.

We have revised the financial forecast originally published on April 27, 2017. For details, see the Notice of Full-Year Financial Forecast Modifications issued today (October 30, 2017).

3. Consolidated Balance Sheets

million yen

Description	As of March 31, 2017	As of September 30, 2017
(Assets)		
Current assets		
Cash and deposits	662,763	683,407
Notes and accounts receivable-trade	106,054	97,542
Securities	283,307	269,078
Inventories	39,129	135,581
Other	49,867	92,557
Allowance for doubtful accounts	(379)	(145)
Total current assets	1,140,742	1,278,023
Non-current assets		
Property, plant and equipment	86,558	86,138
Intangible assets	12,825	13,251
Investments and other assets		
Investment securities	157,963	188,587
Other	70,887	60,122
Total investments and other assets	228,851	248,709
Total non-current assets	328,235	348,099
Total assets	1,468,978	1,626,122
(Liabilities)		
Current liabilities		
Notes and accounts payable-trade	104,181	198,048
Income taxes payable	11,267	23,089
Provision	2,341	2,863
Other	66,319	93,845
Total current liabilities	184,109	317,845
Non-current liabilities		
Net defined benefit liability	19,245	16,554
Other	14,650	15,348
Total non-current liabilities	33,895	31,903
Total liabilities	218,005	349,749
(Net assets)		
Shareholders' equity		
Capital stock	10,065	10,065
Capital surplus	13,256	13,742
Retained earnings	1,489,518	1,489,366
Treasury shares	(250,601)	(250,628)
Total shareholders' equity	1,262,239	1,262,546
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	18,913	24,637
Foreign currency translation adjustment	(30,312)	(15,168)
Total accumulated other comprehensive income	(11,399)	9,469
Non-controlling interests	132	4,357
Total net assets	1,250,972	1,276,373
Total liabilities and net assets	1,468,978	1,626,122

4. Consolidated Statements of Income

million yen

Description	Six months ended September 30, 2016	Six months ended September 30, 2017
Net sales	136,812	374,041
Cost of sales	75,232	230,325
Gross profit	61,580	143,716
Selling, general and administrative expenses	67,527	103,755
Operating profit (loss)	(5,947)	39,961
Non-operating income		
Interest income	2,582	4,085
Foreign exchange gains	-	16,346
Share of profit of entities accounted for using equity method	12,024	6,429
Other	971	3,361
Total non-operating income	15,578	30,222
Non-operating expenses		
Sales discounts	3	-
Loss on redemption of securities	528	575
Foreign exchange losses	39,911	-
Other	71	17
Total non-operating expenses	40,514	593
Ordinary profit (loss)	(30,883)	69,591
Extraordinary income		
Gain on sales of non-current assets	181	368
Gain on sales of investment securities	62,771	473
Reversal of loss on litigation	-	1,929
Total extraordinary income	62,953	2,771
Extraordinary losses		
Loss on disposal of non-current assets	25	15
Loss on litigation	-	1,138
Total extraordinary losses	25	1,153
Profit before income taxes	32,043	71,208
Total income taxes	(6,261)	18,536
Profit	38,305	52,672
Profit attributable to non-controlling interests	5	1,168
Profit attributable to owners of parent	38,299	51,503

5. Consolidated Statements of Comprehensive Income

million yen

Description	Six months ended September 30, 2016	Six months ended September 30, 2017
Profit	38,305	52,672
Other comprehensive income		
Valuation difference on available-for-sale securities	16,457	5,808
Foreign currency translation adjustment	(36,665)	15,733
Share of other comprehensive income of entities accounted for using equity method	(636)	(590)
Total other comprehensive income	(20,845)	20,951
Comprehensive income	17,459	73,623
(Comprehensive income attributable to)		
Comprehensive income attributable to owners of parent	17,454	72,371
Comprehensive income attributable to non-controlling interests	5	1,252

6. Notes Pertaining to Consolidated Financial Statements

Application of peculiar methods for accounting procedures

With respect to certain consolidated subsidiaries, corporate income tax amount is calculated by taking the amount of profit before income taxes through the six-month period ended September 30, 2017 multiplied by reasonably estimated annual effective tax rate with the effects of deferred taxes reflected.

7. Others

(1)Consolidated sales information

million yen

		Japan	The Americas	Europe	Other	Total
Six months ended September 30, 2017	Dedicated video game platform (*1)	93,205	145,870	89,855	26,346	355,278
	of which Nintendo 3DS platform	24,396	29,780	20,685	3,235	78,098
	of which Nintendo Switch platform	62,118	102,459	60,356	20,839	245,774
	of which the others (*2)	6,690	13,630	8,813	2,271	31,406
	Smart devices, IP related income, etc. (*3)	8,160	7,794	1,471	499	17,925
	Playing cards, etc.	313	510	13	-	837
Total		101,680	154,175	91,340	26,845	374,041

		Japan	The Americas	Europe	Other	Total
Six months ended September 30, 2016	Dedicated video game platform (*1)	37,533	52,454	37,056	5,528	132,573
	of which Nintendo 3DS platform	24,951	30,675	24,093	4,164	83,884
	of which Wii U platform	8,848	16,604	10,212	796	36,462
	of which Nintendo Switch platform	-	-	-	-	-
	of which the others (*4)	3,733	5,173	2,750	568	12,226
	Smart devices, IP related income, etc. (*3)	1,617	1,465	264	61	3,408
Playing cards, etc.	353	468	8	-	830	
Total		39,504	54,388	37,329	5,590	136,812

[Note] Download sales:

Six months ended September 30, 2016: 14.7 billion yen

Six months ended September 30, 2017: 22.8 billion yen

*1 Each platform includes hardware, software (including downloadable versions of packaged software, download-only software and add-on content) and accessories.

*2 Includes amiibo, Virtual Console and platforms other than Nintendo 3DS or Nintendo Switch.

*3 Includes income from smart-device content and royalty income.

*4 Includes amiibo, Virtual Console and platforms other than Nintendo 3DS, Wii U or Nintendo Switch.

(2)Other consolidated information

million yen

		Six months ended September 30, 2016	Six months ended September 30, 2017	Year ending March 31, 2018 (Forecast)
Depreciation of property, plant and equipment		2,551	3,182	6,000
Research and development expenses		28,498	32,056	70,000
Advertising expenses		13,530	30,803	78,000
Average exchange rates	1 USD =	105.29 yen	111.06 yen	108.03 yen
	1 Euro =	118.15 yen	126.29 yen	125.64 yen

Consolidated net sales in U.S. dollars	0.4 billion	1.2 billion	-
Consolidated net sales in Euros	0.3 billion	0.7 billion	-
Non-consolidated purchases in U.S. dollars	0.3 billion	2.3 billion	-

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

million U.S. dollars/euros

		As of March 31, 2017		As of September 30, 2017		As of March 31, 2018
		Balance	Exchange rate	Balance	Exchange rate	Estimated exchange rate
USD	Cash and deposits	2,181		2,143		
	Accounts receivable-trade	500	1 USD=	932	1 USD=	1 USD=
	Accounts payable-trade	531	112.19 yen	1,160	112.73 yen	105.00 yen
	Loans payable to subsidiaries	300		300		
Euro	Cash and deposits	495	1 Euro=	548	1 Euro=	1 Euro=
	Accounts receivable-trade	333	119.79 yen	739	132.85 yen	125.00 yen

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

			Actual		Sales Units in Ten Thousands Number of New Titles Released	
			Actual	Actual	Life-to-date	Forecast
			Apr. '16-Sep. '16	Apr. '17-Sep. '17	Sep. '17	Apr. '17-Mar. '18
Nintendo 3DS	Hardware	Japan	82	76	2,407	
		The Americas	97	117	2,349	
		Other	92	92	2,142	
		Total	271	286	6,898	600
	of which New Nintendo 3DS XL	Japan	57	36	466	
		The Americas	57	41	389	
		Other	39	20	275	
		Total	154	97	1,129	
	of which Nintendo 2DS	Japan	18	4	63	
		The Americas	31	38	337	
		Other	37	32	416	
		Total	85	74	816	
	of which New Nintendo 2DS XL	Japan	-	36	36	
The Americas		-	38	38		
Other		-	40	40		
Total		-	114	114		
Software	Japan	624	498	12,842		
	The Americas	660	422	11,492		
	Other	639	461	9,973		
	Total	1,923	1,382	34,307	4,000	
New titles	Japan	30	22	627		
	The Americas	25	15	464		
	Other	17	22	518		
Nintendo Switch	Hardware	Japan	-	135	195	
		The Americas	-	192	311	
		Other	-	162	256	
		Total	-	489	763	1,400
	Software	Japan	-	437	526	
		The Americas	-	940	1,225	
		Other	-	825	997	
		Total	-	2,202	2,748	5,000
	New titles	Japan	-	21	30	
		The Americas	-	32	42	
		Other	-	33	42	

[Notes]

- 1 Software sales units include both packaged and downloadable versions of software.
- 2 Each title available in both packaged and downloadable versions is counted as one new title.
- 3 Actual software sales units for each platform include the quantity bundled with hardware.
- 4 While forecasted software sales units include the quantity bundled with hardware for six months ended September 30, 2017, they do not include the quantity to be bundled with hardware on and after October 1, 2017.