



MEMBERSHIP

January 31, 2018

CONSOLIDATED FINANCIAL HIGHLIGHTS



Nintendo Co., Ltd.
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Japan

Consolidated Results for the Nine Months Ended December 31, 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	%
Nine months ended December 31, 2017	857,012	175.5	156,462	494.6	194,563	296.2	135,165	31.3
Nine months ended December 31, 2016	311,121	(26.9)	26,315	(38.1)	49,110	(11.2)	102,969	153.9

[Note]

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

	Profit per share
	yen
Nine months ended December 31, 2017	1,125.53
Nine months ended December 31, 2016	857.16

(2) Consolidated financial positions

	Total assets	Net assets	Capital adequacy ratio
	million yen	million yen	%
As of December 31, 2017	1,773,449	1,349,461	75.8
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	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)				390.00	500.00

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	1,020,000	108.5	160,000	444.9	175,000	247.5	120,000	17.0	999.18

[Note]

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

Others

(1) Changes for important subsidiaries during the nine-month period ended December 31, 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 Dec. 31, 2017 :	141,669,000 shares	As of Mar. 31, 2017 :	141,669,000 shares
② Number of treasury shares			
As of Dec. 31, 2017 :	21,542,864 shares	As of Mar. 31, 2017 :	21,541,341 shares
③ Average number of shares			
Nine months ended		Nine months ended	
Dec. 31, 2017 :	120,089,943 shares	Dec. 31, 2016 :	120,128,724 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

For the nine months ended December 31, 2017, the Nintendo Switch hardware sold well following the launch and sales volume rose substantially during the holiday season. For the Nintendo Switch software, *SUPER MARIO ODYSSEY* was released in October and has been a big hit, with global sales reaching 9.07 million units. *Mario Kart 8 Deluxe*, released in April, has sold 7.33 million units, and *Splatoon 2*, released in July, has sold 4.91 million units, bringing to 8 the total number of million-seller titles for this fiscal year including the titles of other software publishers. The result is that hardware sales during this period totaled 12.13 million units, and software sales volume totaled 47.10 million units.

Nintendo 3DS hardware sales did not weaken after the launch of Nintendo Switch. In fact, sales grew during the holiday season in the US. Sales volume was firm in other regions as well, with the total reaching 5.86 million units (9% decrease on a year-on-year basis). For the Nintendo 3DS software, sales of *Pokémon Ultra Sun* and *Pokémon Ultra Moon*, released in November, have grown to 7.17 million units, but overall software sales declined to 31.25 million units (33% decrease on a year-on-year basis).

The Super Nintendo Entertainment System: Super NES Classic Edition, launched globally during September and October, proved to be a hit. We also expanded our amiibo lineup with new amiibo released simultaneously with software titles, pushing sales to approximately 9.30 million units for figure-type and approximately 5.00 million units for card-type.

In our download business, brisk download sales for Nintendo Switch helped push total download sales up to 43.1 billion yen (87% increase on a year-on-year basis).

In our smart-device business, consumers not only continued to enjoy *Super Mario Run* and *Fire Emblem Heroes*, which became available for download during the previous fiscal year, but also had fun with *Animal Crossing: Pocket Camp*, released globally during October and November. Smart devices and IP related income were up to 29.1 billion yen (172% increase on a year-on-year basis).

Total sales reached 857.0 billion yen (of which overseas sales were 639.9 billion yen or 74.7% of the total sales). Operating profit came to 156.4 billion yen, ordinary profit was 194.5 billion yen, and profit attributable to owners of parent totaled 135.1 billion yen.

2. Consolidated Financial Forecast

Major software titles due out for Nintendo Switch include *Bayonetta 2*, set for release in February, and *Kirby Star Allies*, coming in March, as well as major titles planned by other software publishers. We aim to broaden the platform's user base by continuing to introduce compelling new software in addition to the stable of popular titles that already have been released.

For Nintendo 3DS, *Detective Pikachu* is due out in March. We will also work to leverage our installed hardware base to expand sales of evergreen titles.

In our smart-device business, we will focus on operations that encourage more consumers to continue to enjoy playing the applications that they have downloaded.

We have revised the financial forecast originally published on October 30, 2017. For details, see the Notice of Full-Year Financial Forecast and Dividend Forecast Modifications issued today (January 31, 2018).

3. Consolidated Balance Sheets

million yen

Description	As of March 31, 2017	As of December 31, 2017
(Assets)		
Current assets		
Cash and deposits	662,763	782,723
Notes and accounts receivable-trade	106,054	225,241
Securities	283,307	224,385
Inventories	39,129	94,691
Other	49,867	76,596
Allowance for doubtful accounts	(379)	(288)
Total current assets	1,140,742	1,403,349
Non-current assets		
Property, plant and equipment	86,558	85,569
Intangible assets	12,825	13,278
Investments and other assets		
Investment securities	157,963	210,696
Other	70,887	60,555
Total investments and other assets	228,851	271,252
Total non-current assets	328,235	370,100
Total assets	1,468,978	1,773,449
(Liabilities)		
Current liabilities		
Notes and accounts payable-trade	104,181	235,507
Income taxes payable	11,267	49,026
Provision	2,341	1,210
Other	66,319	105,075
Total current liabilities	184,109	390,820
Non-current liabilities		
Net defined benefit liability	19,245	16,873
Other	14,650	16,293
Total non-current liabilities	33,895	33,167
Total liabilities	218,005	423,987
(Net assets)		
Shareholders' equity		
Capital stock	10,065	10,065
Capital surplus	13,256	13,742
Retained earnings	1,489,518	1,559,814
Treasury shares	(250,601)	(250,662)
Total shareholders' equity	1,262,239	1,332,960
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	18,913	22,707
Foreign currency translation adjustment	(30,312)	(11,370)
Total accumulated other comprehensive income	(11,399)	11,336
Non-controlling interests	132	5,165
Total net assets	1,250,972	1,349,461
Total liabilities and net assets	1,468,978	1,773,449

4. Consolidated Statements of Income

million yen

Description	Nine months ended December 31, 2016	Nine months ended December 31, 2017
Net sales	311,121	857,012
Cost of sales	171,055	530,707
Gross profit	140,065	326,305
Selling, general and administrative expenses	113,750	169,842
Operating profit	26,315	156,462
Non-operating income		
Interest income	4,403	6,278
Foreign exchange gains	1,405	20,264
Share of profit of entities accounted for using equity method	16,781	8,646
Other	1,247	3,685
Total non-operating income	23,837	38,874
Non-operating expenses		
Sales discounts	3	-
Loss on redemption of securities	948	733
Other	91	39
Total non-operating expenses	1,043	772
Ordinary profit	49,110	194,563
Extraordinary income		
Gain on sales of non-current assets	181	821
Gain on sales of investment securities	63,574	490
Reversal of loss on litigation	-	1,929
Total extraordinary income	63,756	3,240
Extraordinary losses		
Loss on disposal of non-current assets	114	290
Restructuring loss	79	-
Loss on litigation	-	1,138
Total extraordinary losses	193	1,428
Profit before income taxes	112,673	196,375
Total income taxes	9,693	59,253
Profit	102,979	137,122
Profit attributable to non-controlling interests	10	1,957
Profit attributable to owners of parent	102,969	135,165

5. Consolidated Statements of Comprehensive Income

million yen

Description	Nine months ended December 31, 2016	Nine months ended December 31, 2017
Profit	102,979	137,122
Other comprehensive income		
Valuation difference on available-for-sale securities	10,602	3,896
Foreign currency translation adjustment	7,633	19,345
Share of other comprehensive income of entities accounted for using equity method	(1,164)	(404)
Total other comprehensive income	17,070	22,837
Comprehensive income	120,049	159,960
(Comprehensive income attributable to)		
Comprehensive income attributable to owners of parent	120,039	157,900
Comprehensive income attributable to non-controlling interests	10	2,059

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 nine-month period ended December 31, 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
Nine months ended December 31, 2017	Dedicated video game platform (*1)		203,417	345,391	219,133	58,596	826,539
	of which Nintendo 3DS platform		48,925	66,654	48,640	6,439	170,660
	of which Nintendo Switch platform		137,555	252,351	156,323	48,618	594,849
	of which the others (*2)		16,937	26,385	14,169	3,538	61,029
	Smart devices, IP related income, etc. (*3)		13,141	12,619	2,458	882	29,101
	Playing cards, etc.		518	834	19	-	1,371
Total			217,077	358,845	221,611	59,478	857,012

			Japan	The Americas	Europe	Other	Total
Nine months ended December 31, 2016	Dedicated video game platform (*1)		84,643	116,254	84,015	14,187	299,102
	of which Nintendo 3DS platform		63,740	78,120	61,711	11,602	215,175
	of which Wii U platform		12,411	25,536	15,203	1,233	54,384
	of which Nintendo Switch platform		-	-	-	-	-
	of which the others (*4)		8,491	12,598	7,100	1,351	29,542
	Smart devices, IP related income, etc. (*3)		4,502	4,424	1,338	417	10,683
Playing cards, etc.		586	732	16	-	1,336	
Total			89,732	121,412	85,370	14,605	311,121

[Note] Download sales:

Nine months ended December 31, 2016: 23.1 billion yen

Nine months ended December 31, 2017: 43.1 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

	Nine months ended December 31, 2016	Nine months ended December 31, 2017	Year ending March 31, 2018 (Forecast)
Depreciation of property, plant and equipment	3,984	4,766	6,000
Research and development expenses	44,107	46,998	70,000
Advertising expenses	29,198	57,648	75,000
Average exchange rates			
1 USD =	106.63 yen	111.70 yen	110.03 yen
1 Euro =	118.02 yen	128.53 yen	128.90 yen

Consolidated net sales in U.S. dollars	1.0 billion	3.0 billion	-
Consolidated net sales in Euros	0.7 billion	1.7 billion	-
Non-consolidated purchases in U.S. dollars	0.8 billion	4.2 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 December 31, 2017		As of March 31, 2018
	Balance	Exchange rate	Balance	Exchange rate	Estimated exchange rate
USD					
Cash and deposits	2,181		1,992		
Accounts receivable-trade	500	1 USD=	1,022	1 USD=	1 USD=
Accounts payable-trade	531	112.19 yen	1,485	113.00 yen	105.00 yen
Loans payable to subsidiaries	300		300		
Euro					
Cash and deposits	495	1 Euro=	604	1 Euro=	1 Euro=
Accounts receivable-trade	333	119.79 yen	918	134.94 yen	130.00 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-Dec. '16	Apr. '17-Dec. '17	Dec. '17	Apr. '17-Mar. '18
Nintendo 3DS	Hardware	Japan	181	132	2,463	
		The Americas	220	256	2,488	
		Other	244	198	2,248	
		Total	645	586	7,199	640
	of which New Nintendo 3DS XL	Japan	122	51	481	
		The Americas	120	81	428	
		Other	110	31	286	
	of which Nintendo 2DS	Japan	47	6	65	
		The Americas	60	96	395	
		Other	111	75	459	
	of which New Nintendo 2DS XL	Japan	-	74	74	
		The Americas	-	79	79	
		Other	-	93	93	
Nintendo Switch	Software	Japan	1,470	1,026	13,369	
		The Americas	1,641	1,017	12,087	
		Other	1,567	1,082	10,595	
		Total	4,678	3,125	36,050	3,500
	New titles	Japan	64	46	651	
		The Americas	34	25	474	
		Other	31	34	530	
	Hardware	Japan	-	312	372	
		The Americas	-	474	594	
		Other	-	426	520	
Total		-	1,213	1,486	1,500	
Software		Japan	-	892	982	
		The Americas	-	2,079	2,365	
		Other	-	1,739	1,910	
	Total	-	4,710	5,257	5,300	
New titles	Japan	-	47	56		
	The Americas	-	66	76		
	Other	-	74	83		

[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 nine months ended December 31, 2017, they do not include the quantity to be bundled with hardware on and after January 1, 2018.