

MEMBERSHIP  
July 30, 2019

## CONSOLIDATED FINANCIAL HIGHLIGHTS



Nintendo Co., Ltd.  
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Japan

### Consolidated Results for the Three Months Ended June 30, 2018 and 2019

## (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	%
Three months ended June 30, 2019	172,111	2.4	27,428	(10.2)	22,232	(49.3)	16,604	(45.7)
Three months ended June 30, 2018	168,157	9.1	30,535	88.4	43,866	41.7	30,600	43.9

[Note]

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

	Profit per share
	yen
Three months ended June 30, 2019	139.38
Three months ended June 30, 2018	254.73

## (2) Consolidated financial positions

	Total assets	Net assets	Capital adequacy ratio
	million yen	million yen	%
As of June 30, 2019	1,597,571	1,344,349	84.1
As of March 31, 2019	1,690,304	1,414,798	83.4

### 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, 2019	-	170.00	-	640.00	810.00
Year ending March 31, 2020 (forecast)	-	- *	-	- *	760.00

[Note]

\*Dividends are paid twice a year after the end of the second quarter and at the fiscal year-end based on profit levels achieved in each fiscal year as our basic policy. As for the dividend forecast for the fiscal year ending March 31, 2020, only the annual dividend is described because the financial forecast for the year is prepared only on a full fiscal year basis and the dividend cannot be separately forecasted between the interim and the fiscal year-end.

### Consolidated Financial Forecast for the Fiscal Year Ending March 31, 2020

	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, 2020	1,250,000	4.1	260,000	4.1	260,000	(6.3)	180,000	(7.2)	1,511.02

[Notes]

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

Revisions to previously announced financial forecast: Not applicable

**Others**

(1) Changes for important subsidiaries during the three-month period ended June 30, 2019				: Not applicable
(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 Jun. 30, 2019 :	131,669,000 shares	As of Mar. 31, 2019 :	131,669,000 shares	
② Number of treasury shares				
As of Jun. 30, 2019 :	12,544,543 shares	As of Mar. 31, 2019 :	12,544,264 shares	
③ Average number of shares				
Three months ended		Three months ended		
Jun. 30, 2019 :	119,124,580 shares	Jun. 30, 2018 :	120,125,720 shares	

## [Notes]

1. This earnings release report is not subject to quarterly review procedures by a certified public accountant or audit firm.

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 first quarter of this period (April through June 2019), for Nintendo Switch, *Super Mario Maker 2* released in June and has gotten off to a good start with 2.42 million units sold. In addition, sales of titles released in previous fiscal years and titles released by other software publishers continued to grow at a steady pace, including *Mario Kart 8 Deluxe*, which sold 1.2 million units (17.89 million units on a cumulative basis). As a result, hardware and software sales reached 2.13 million units (13.2% increase on a year-on-year basis) and 22.62 million units (25.9% increase on a year-on-year basis) respectively.

For Nintendo 3DS, hardware sales totaled 0.2 million units (44.9% decrease on a year-on-year basis), while software sales came to 1.48 million units (49.7% decrease on a year-on-year basis).

Turning to our digital business for dedicated video game platforms, sales of downloadable versions of packaged software and download-only software for Nintendo Switch showed particularly steady growth, bringing digital sales to 30.6 billion yen (65.3% increase on a year-on-year basis).

For the mobile business, many consumers continue to enjoy titles that were released in previous years, and our mobile, IP related income reached 10 billion yen (10.0% increase on a year-on-year basis).

In total, net sales reached 172.1 billion yen (including overseas sales of 131.7 billion yen, or 76.5% of the total sales). Operating profit came to 27.4 billion yen. As a result of foreign exchange losses of 12 billion yen and other factors, ordinary profit came to 22.2 billion yen and profit attributable to owners of parent totaled 16.6 billion yen.

## 2. Consolidated Financial Forecast

Regarding Nintendo Switch, new titles will be released from summer onwards, including *Fire Emblem: Three Houses* (July), *ASTRAL CHAIN* (August), *The Legend of Zelda: Link's Awakening* (September), *Luigi's Mansion 3* (October), *Pokémon Sword* and *Pokémon Shield* (November), and *Animal Crossing: New Horizons* (March 2020). Many key titles are also expected to be released by other software publishers as we continue to offer attractive titles that are filled with variety. Furthermore, we plan to launch Nintendo Switch Lite in September as a new addition to the Nintendo Switch family, which is compact and lightweight, making it easy to take on the go. By offering consumers a choice of hardware that matches their preferred play style, we aim to further expand the installed base for Nintendo Switch.

For Nintendo 3DS, we will continue to leverage the platform's rich software library to appeal to consumers purchasing game hardware for the first time, while continuing to drive sales of evergreen titles that leverage its hardware install base.

For the mobile business, in addition to our new applications scheduled for release this summer, *Dr. Mario World* and *Mario Kart Tour*, we will also focus on ensuring that more consumers can enjoy the applications that we have previously released.

There is no revision to the financial forecast for this fiscal year originally published on April 25, 2019.

## 3. Consolidated Balance Sheets

million yen

Description	As of March 31, 2019	As of June 30, 2019
<b>(Assets)</b>		
<b>Current assets</b>		
Cash and deposits	844,550	740,353
Notes and accounts receivable-trade	78,169	75,208
Securities	238,410	166,265
Inventories	135,470	133,156
Other	48,453	80,614
Allowance for doubtful accounts	(82)	(64)
<b>Total current assets</b>	<b>1,344,972</b>	<b>1,195,534</b>
<b>Non-current assets</b>		
Property, plant and equipment	81,550	81,039
Intangible assets	14,090	13,731
Investments and other assets		
Investment securities	167,134	230,752
Other	82,556	76,513
Total investments and other assets	249,690	307,265
<b>Total non-current assets</b>	<b>345,331</b>	<b>407,538</b>
<b>Total assets</b>	<b>1,690,304</b>	<b>1,597,571</b>
<b>(Liabilities)</b>		
<b>Current liabilities</b>		
Notes and accounts payable-trade	59,689	102,395
Income taxes payable	62,646	3,690
Provisions	3,891	966
Other	118,781	115,195
<b>Total current liabilities</b>	<b>245,009</b>	<b>222,247</b>
<b>Non-current liabilities</b>		
Retirement benefit liability	15,068	14,204
Other	15,427	16,770
<b>Total non-current liabilities</b>	<b>30,496</b>	<b>30,975</b>
<b>Total liabilities</b>	<b>275,505</b>	<b>253,222</b>
<b>(Net assets)</b>		
<b>Shareholders' equity</b>		
Share capital	10,065	10,065
Capital surplus	12,069	15,041
Retained earnings	1,556,881	1,497,245
Treasury shares	(156,755)	(156,765)
<b>Total shareholders' equity</b>	<b>1,422,260</b>	<b>1,365,587</b>
<b>Accumulated other comprehensive income</b>		
Valuation difference on available-for-sale securities	17,665	20,750
Foreign currency translation adjustment	(30,214)	(42,160)
<b>Total accumulated other comprehensive income</b>	<b>(12,548)</b>	<b>(21,410)</b>
<b>Non-controlling interests</b>	<b>5,086</b>	<b>172</b>
<b>Total net assets</b>	<b>1,414,798</b>	<b>1,344,349</b>
<b>Total liabilities and net assets</b>	<b>1,690,304</b>	<b>1,597,571</b>

## 4. Consolidated Statements of Income

million yen

Description	Three months ended June 30, 2018	Three months ended June 30, 2019
Net sales	168,157	172,111
Cost of sales	85,249	88,693
<b>Gross profit</b>	<b>82,907</b>	<b>83,417</b>
Selling, general and administrative expenses	52,372	55,989
<b>Operating profit</b>	<b>30,535</b>	<b>27,428</b>
Non-operating income		
Interest income	2,907	4,459
Foreign exchange gains	7,501	-
Other	2,980	2,457
Total non-operating income	13,389	6,916
Non-operating expenses		
Foreign exchange losses	-	12,062
Other	58	49
Total non-operating expenses	58	12,112
<b>Ordinary profit</b>	<b>43,866</b>	<b>22,232</b>
Extraordinary income		
Gain on sales of non-current assets	-	1
Gain on sales of investment securities	-	138
Total extraordinary income	-	139
Extraordinary losses		
Loss on disposal of non-current assets	-	13
Loss on sales of investment securities	-	56
Loss on valuation of investment securities	366	-
Total extraordinary losses	366	70
<b>Profit before income taxes</b>	<b>43,499</b>	<b>22,301</b>
Total income taxes	12,919	5,697
<b>Profit</b>	<b>30,580</b>	<b>16,603</b>
Loss attributable to non-controlling interests	(19)	(0)
<b>Profit attributable to owners of parent</b>	<b>30,600</b>	<b>16,604</b>

## 5. Consolidated Statements of Comprehensive Income

million yen

Description	Three months ended June 30, 2018	Three months ended June 30, 2019
<b>Profit</b>	<b>30,580</b>	<b>16,603</b>
Other comprehensive income		
Valuation difference on available-for-sale securities	4,837	3,087
Foreign currency translation adjustment	8,073	(11,938)
Share of other comprehensive income of entities accounted for using equity method	(1,297)	(9)
Total other comprehensive income	11,613	(8,861)
<b>Comprehensive income</b>	<b>42,193</b>	<b>7,742</b>
(Comprehensive income attributable to)		
Comprehensive income attributable to owners of parent	42,193	7,742
Comprehensive income attributable to non-controlling interests	0	(0)

## 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 three-month period ended June 30, 2019 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
Three months ended June 30, 2019	Dedicated video game platform (*1)	35,619	71,377	39,862	14,769	161,629
	of which Nintendo 3DS platform	808	2,884	1,655	330	5,678
	of which Nintendo Switch platform (*2)	33,724	66,544	38,201	14,173	152,643
	of which the others (*3)	1,086	1,948	5	265	3,306
	Mobile, IP related income, etc. (*4)	4,589	4,103	529	783	10,005
	Playing cards, etc.	155	320	0	-	475
Total		40,364	75,800	40,392	15,553	172,111

		Japan	The Americas	Europe	Other	Total
Three months ended June 30, 2018	Dedicated video game platform (*1)	34,589	69,124	33,799	21,003	158,517
	of which Nintendo 3DS platform	2,146	5,991	3,028	536	11,703
	of which Nintendo Switch platform	28,910	54,913	26,881	18,882	129,587
	of which the others (*3)	3,533	8,218	3,890	1,584	17,226
	Mobile, IP related income, etc. (*4)	4,528	3,531	626	411	9,097
	Playing cards, etc.	274	265	1	-	541
Total		39,393	72,920	34,428	21,415	168,157

[Note] Digital sales in dedicated video game platform (\*5):

Three months ended June 30, 2018: 18.5 billion yen      Three months ended June 30, 2019: 30.6 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 Nintendo Switch Online.
- \*3 Includes amiibo, Virtual Console and platforms other than Nintendo 3DS or Nintendo Switch.
- \*4 Includes income from smart-device content and royalty income.
- \*5 Includes downloadable versions of packaged software, download-only software, add-on content and Nintendo Switch Online.

(2) Other consolidated information million yen

		Three months ended June 30, 2018	Three months ended June 30, 2019	Year ending March 31, 2020 (Forecast)
Depreciation of property, plant and equipment		1,513	1,371	6,000
Research and development expenses		16,796	17,726	75,000
Advertising expenses		14,267	14,596	85,000
Average exchange rates	1 USD =	109.07 yen	109.90 yen	105.00 yen
	1 Euro =	130.06 yen	123.49 yen	120.00 yen

Consolidated net sales in U.S. dollars	0.6 billion	0.6 billion	-
Consolidated net sales in Euros	0.2 billion	0.3 billion	-
Non-consolidated purchases in U.S. dollars	1.5 billion	0.7 billion	-

(3) Balance of major assets and liabilities in foreign currencies (non-consolidated) million U.S. dollars/euros

		As of March 31, 2019		As of June 30, 2019		As of March 31, 2020
		Balance	Exchange rate	Balance	Exchange rate	Estimated exchange rate
USD	Cash and deposits	3,060		2,893		
	Accounts receivable-trade	172	1 USD=	427	1 USD=	1 USD=
	Accounts payable-trade	228	110.99 yen	621	107.79 yen	105.00 yen
	Borrowings from subsidiaries	300		300		
Euro	Cash and deposits	837	1 Euro=	564	1 Euro=	1 Euro=
	Accounts receivable-trade	216	124.56 yen	449	122.49 yen	120.00 yen

(4) 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. '18-Jun. '18	Apr. '19-Jun. '19	Jun. '19	Apr. '19-Mar. '20
Nintendo 3DS	Hardware	Japan	6	3	2,520		
		The Americas	20	9	2,654		
		Other	10	8	2,354		
		Total	36	20	7,528	100	
	Software	Japan	35	17	13,712		
		The Americas	153	68	12,920		
		Other	107	63	11,328		
		Total	295	148	37,960	500	
	New titles	Japan	4	1	669		
		The Americas	3	1	495		
Europe		2	1	549			
Nintendo Switch	Hardware	Japan	50	53	876		
		The Americas	67	82	1,483		
		Europe	31	50	960		
		Other	40	28	369		
		Total	188	213	3,687	1,800	
	Software	Japan	295	441	3,905		
		The Americas	837	1,016	9,447		
		Europe	524	672	6,246		
		Other	141	133	1,415		
		Total	1,796	2,262	21,013	12,500	
	New titles	Japan	31	48	346		
		The Americas	53	65	450		
		Europe	54	69	448		

[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 Forecasted software sales units for each platform do not include the quantity bundled with hardware.