



January 30, 2020

CONSOLIDATED FINANCIAL HIGHLIGHTS



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

Consolidated Results for the Nine Months Ended December 31, 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	%
Nine months ended December 31, 2019	1,022,668	2.5	262,930	19.5	273,841	14.0	196,389	16.4
Nine months ended December 31, 2018	997,295	16.4	220,029	40.6	240,268	23.5	168,785	24.9

[Note]

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

	Profit per share	
	yen	
Nine months ended December 31, 2019	1,648.61	
Nine months ended December 31, 2018	1,405.08	

(2) Consolidated financial positions

	Total assets	Net assets	Capital adequacy ratio
	million yen	million yen	%
As of December 31, 2019	1,898,641	1,498,522	78.9
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	
Year ended March 31, 2019	-	170.00	-	640.00	810.00	
Year ending March 31, 2020	-	270.00	-			
Year ending March 31, 2020 (forecast)				620.00	890.00	

[Notes]

Revisions to previously announced dividend forecast: Applicable

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	300,000	20.1	300,000	8.2	210,000	8.2	1,762.87

[Notes]

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

Revisions to previously announced financial forecast: Applicable

Others

(1) Changes for important subsidiaries during the nine-month period ended December 31, 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 Dec. 31, 2019 :	131,669,000 shares	As of Mar. 31, 2019 :	131,669,000 shares
-----------------------	--------------------	-----------------------	--------------------

② Number of treasury shares

As of Dec. 31, 2019 :	12,545,241 shares	As of Mar. 31, 2019 :	12,544,264 shares
-----------------------	-------------------	-----------------------	-------------------

③ Average number of shares

Nine months ended Dec. 31, 2019 :	119,124,290 shares	Nine months ended Dec. 31, 2018 :	120,125,485 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 nine months ended December 31, 2019, Nintendo Switch Lite launched in September as a compact, lightweight, and easy-to-carry system dedicated to handheld gameplay, and Nintendo Switch performed well without losing momentum, resulting in significant sales growth for the entire Nintendo Switch family that surpassed the same period in the last fiscal year. Software like *Pokémon Sword* and *Pokémon Shield* became huge hits, selling 16.06 million units, alongside *Luigi's Mansion 3* and *Super Mario Maker 2*, both of which sold over 5 million units. In addition, sales of popular titles released during previous fiscal years and titles from other software publishers continued to grow steadily, bringing the total number of million-seller titles during this fiscal year to 21, including the titles of other software publishers. Nintendo Switch also launched in China through Tencent Holdings Limited in December. As a result, hardware sales reached 17.74 million units (22.5% increase on a year-on-year basis), and software sales reached 123.13 million units (30.1% increase on a year-on-year basis).

For Nintendo 3DS, hardware sales totaled 0.62 million units (73.0% decrease on a year-on-year basis), while software sales totaled 4.10 million units (63.0% decrease on a year-on-year basis).

Turning to our digital business for dedicated video game platforms, the steady growth in sales of downloadable versions of packaged software and download-only software for Nintendo Switch, as well as the contribution from Nintendo Switch Online throughout the entire fiscal year, helped to bring overall digital sales to 124.9 billion yen (48.3% increase on a year-on-year basis).

For the mobile business, many consumers continue to enjoy applications released during this fiscal year, such as *Mario Kart Tour*, as well as titles that were released in previous fiscal years. Our mobile, IP related income reached 36.9 billion yen (10.6% increase on a year-on-year basis).

In total, sales reached 1,022.6 billion yen (including overseas sales of 795.7 billion yen, or 77.8% of the total), and operating profit came to 262.9 billion yen. Ordinary profit was 273.8 billion yen, and net profit attributable to owners of the parent totaled 196.3 billion yen for this fiscal year.

2. Consolidated Financial Forecast

Regarding Nintendo Switch, we will continue to convey the appeal of both the Nintendo Switch and Nintendo Switch Lite hardware, and work to expand their installed base. In addition to Nintendo-published titles like *Tokyo Mirage Sessions #FE Encore* (January), *Pokémon Mystery Dungeon: Rescue Team DX* (March) and *Animal Crossing: New Horizons* (March), there are also a robust variety of appealing titles from other software publishers scheduled to be released. We will work to keep the platform energized by continuously introducing attractive new titles in addition to the popular titles already released.

For our mobile business, operations will focus on encouraging more consumers to continue to enjoy playing applications released this fiscal year like *Mario Kart Tour*, as well as the ones that were released in previous fiscal years.

We have revised the financial forecast originally published on April 25, 2019. For details, please see the Notice of Full-Year Financial Forecast and Dividend Forecast Modifications issued today (January 30, 2020).

3. Consolidated Balance Sheets

million yen

Description	As of March 31, 2019	As of December 31, 2019
(Assets)		
Current assets		
Cash and deposits	844,550	850,788
Notes and accounts receivable-trade	78,169	260,193
Securities	238,410	240,381
Inventories	135,470	100,151
Other	48,453	48,992
Allowance for doubtful accounts	(82)	(79)
Total current assets	1,344,972	1,500,427
Non-current assets		
Property, plant and equipment	81,550	82,791
Intangible assets	14,090	14,544
Investments and other assets		
Investment securities	167,134	216,282
Other	82,556	84,593
Total investments and other assets	249,690	300,876
Total non-current assets	345,331	398,213
Total assets	1,690,304	1,898,641
(Liabilities)		
Current liabilities		
Notes and accounts payable-trade	59,689	164,234
Income taxes payable	62,646	36,440
Provisions	3,891	1,366
Other	118,781	163,823
Total current liabilities	245,009	365,865
Non-current liabilities		
Retirement benefit liability	15,068	14,880
Other	15,427	19,372
Total non-current liabilities	30,496	34,252
Total liabilities	275,505	400,118
(Net assets)		
Shareholders' equity		
Share Capital	10,065	10,065
Capital surplus	12,069	15,041
Retained earnings	1,556,881	1,644,867
Treasury shares	(156,755)	(156,794)
Total shareholders' equity	1,422,260	1,513,180
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	17,665	22,567
Foreign currency translation adjustment	(30,214)	(37,425)
Total accumulated other comprehensive income	(12,548)	(14,858)
Non-controlling interests	5,086	200
Total net assets	1,414,798	1,498,522
Total liabilities and net assets	1,690,304	1,898,641

4. Consolidated Statements of Income

million yen

Description	Nine months ended December 31, 2018	Nine months ended December 31, 2019
Net sales	997,295	1,022,668
Cost of sales	588,222	556,578
Gross profit	409,073	466,089
Selling, general and administrative expenses	189,043	203,159
Operating profit	220,029	262,930
Non-operating income		
Interest income	8,899	11,956
Share of profit of entities accounted for using equity method	5,132	5,627
Foreign exchange gains	4,349	-
Other	2,087	2,242
Total non-operating income	20,469	19,826
Non-operating expenses		
Foreign exchange losses	-	8,099
Other	230	815
Total non-operating expenses	230	8,915
Ordinary profit	240,268	273,841
Extraordinary income		
Gain on sales of non-current assets	1	9
Gain on sales of investment securities	-	978
Total extraordinary income	1	988
Extraordinary losses		
Loss on disposal of non-current assets	62	46
Loss on sales of investment securities	-	56
Loss on valuation of investment securities	641	-
Total extraordinary losses	703	103
Profit before income taxes	239,566	274,725
Total income taxes	70,384	78,308
Profit	169,182	196,417
Profit attributable to non-controlling interests	396	27
Profit attributable to owners of parent	168,785	196,389

5. Consolidated Statements of Comprehensive Income

million yen

Description	Nine months ended December 31, 2018	Nine months ended December 31, 2019
Profit	169,182	196,417
Other comprehensive income		
Valuation difference on available-for-sale securities	1,912	4,903
Foreign currency translation adjustment	7,693	(6,529)
Share of other comprehensive income of entities accounted for using equity method	145	(682)
Total other comprehensive income	9,751	(2,309)
Comprehensive income	178,933	194,108
(Comprehensive income attributable to)		
Comprehensive income attributable to owners of parent	178,561	194,080
Comprehensive income attributable to non-controlling interests	371	27

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, 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
Nine months ended December 31, 2019	Dedicated video game platform (*1)	209,133	424,125	266,616	83,655	983,531
	of which Nintendo 3DS platform	1,788	8,145	5,294	554	15,783
	of which Nintendo Switch platform (*2)	203,664	410,735	260,702	82,312	957,414
	of which the others (*3)	3,679	5,244	619	788	10,333
	Mobile, IP related income, etc. (*4)	16,629	15,071	2,897	2,313	36,910
	Playing cards, etc.	1,152	1,073	0	1	2,227
Total		226,915	440,270	269,513	85,969	1,022,668

		Japan	The Americas	Europe	Other	Total
Nine months ended December 31, 2018	Dedicated video game platform (*1)	204,875	425,622	253,132	78,711	962,340
	of which Nintendo 3DS platform	12,283	25,368	14,807	2,546	55,006
	of which Nintendo Switch platform (*2)	181,305	369,536	227,087	72,064	849,994
	of which the others (*3)	11,286	30,716	11,236	4,099	57,339
	Mobile, IP related income, etc. (*4)	16,833	12,431	1,869	2,249	33,384
	Playing cards, etc.	642	919	8	-	1,570
Total		222,351	438,973	255,009	80,960	997,295

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

Nine months ended December 31, 2019: 124.9 billion yen Nine months ended December 31, 2018: 84.2 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

		Nine months ended December 31, 2018	Nine months ended December 31, 2019	Year ending March 31, 2020 (Forecast)
Depreciation of property, plant and equipment		4,323	4,247	6,000
Research and development expenses		50,764	54,309	75,000
Advertising expenses		62,678	61,079	85,000
Average exchange rates	1 USD =	111.14 yen	108.67 yen	107.75 yen
	1 Euro =	129.49 yen	121.05 yen	120.79 yen

Consolidated net sales in U.S. dollars	3.7 billion	3.8 billion	-
Consolidated net sales in Euros	1.9 billion	2.1 billion	-
Non-consolidated purchases in U.S. dollars	4.1 billion	3.4 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 December 31, 2019		As of March 31, 2020
		Balance	Exchange rate	Balance	Exchange rate	Estimated exchange rate
USD	Cash and deposits	3,060		2,595		
	Accounts receivable-trade	172	1 USD=	1,001	1 USD=	1 USD=
	Accounts payable-trade	228	110.99 yen	842	109.56 yen	105.00 yen
	Borrowings from subsidiaries	300		200		
Euro	Cash and deposits	837	1 Euro=	417	1 Euro=	1 Euro=
	Accounts receivable-trade	216	124.56 yen	687	122.54 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-Dec. '18	Apr. '19-Dec. '19	Dec. '19	Apr. '19-Mar. '20
Nintendo 3DS	Hardware	Japan	45	6	2,524		
		The Americas	118	28	2,672		
		Other	68	29	2,375		
		Total	231	62	7,571	65	
	Software	Japan	203	36	13,731		
		The Americas	471	196	13,048		
		Other	434	178	11,443		
		Total	1,108	410	38,222	450	
	New titles	Japan	11	1	669		
		The Americas	12	1	495		
Europe		12	2	550			
Nintendo Switch	Hardware	Japan	336	419	1,242		
		The Americas	580	685	2,087		
		Europe	396	479	1,388		
		Other	137	192	532		
		Total	1,449	1,774	5,248	1,950	
	of which Nintendo Switch	Japan	336	283	1,106		
		The Americas	580	476	1,878		
		Europe	396	351	1,260		
		Other	137	146	486		
		Total	1,449	1,256	4,730		
of which Nintendo Switch Lite	Japan	-	136	136			
	The Americas	-	209	209			
	Europe	-	128	128			
	Other	-	46	46			
	Total	-	519	519			
	Software	Japan	1,718	2,271	5,734		
		The Americas	4,348	5,432	13,863		
		Europe	2,786	3,826	9,401		
		Other	612	785	2,068		
		Total	9,464	12,313	31,065	14,000	
	New titles	Japan	162	210	508		
		The Americas	212	244	629		
		Europe	205	254	633		

[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, 2019, they do not include the quantity to be bundled with hardware on and after January 1, 2020