

## Outline of consolidated financial results for the nine months ended December 31, 2019 and consolidated earnings forecast for the fiscal year ending March 31, 2020

This outline is based on the documents “Earnings Release,” “Supplementary Information about Earnings Release,” and “Notice of Full-Year Financial Forecast and Dividend Forecast Modifications” for the third quarter of the fiscal year ending March 31, 2020.

### 1. Briefing of consolidated financial results for the nine months ended December 31, 2019

- Consolidated operating results for the nine months ended December 31, 2018 and 2019

	Nine months ended December 31, 2018	Nine months ended December 31, 2019	Comparison
Net Sales	997.2 billion yen	1,022.6 billion yen	25.3 billion yen
Gross Profit	409.0 billion yen	466.0 billion yen	57.0 billion yen
(Gross Profit Ratio)	(41.0 %)	(45.6 %)	
Operating Profit	220.0 billion yen	262.9 billion yen	42.9 billion yen
(Operating Profit Ratio)	(22.1 %)	(25.7 %)	
Ordinary Profit	240.2 billion yen	273.8 billion yen	33.5 billion yen
(Ordinary Profit Ratio)	(24.1 %)	(26.8 %)	
Profit Attributable to Owners of Parent	168.7 billion yen	196.3 billion yen	27.6 billion yen
(Profit Attributable to Owners of Parent Ratio)	(16.9 %)	(19.2 %)	

(Net sales)

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).

(Gross profit and gross profit ratio)

Gross profit compared to the same period of the previous fiscal year increased by 13.9% to 466.0 billion yen. The gross profit ratio increased by 4.6 percentage points to 45.6% compared to the same period of the previous fiscal year. Although there was a negative impact in exchange rates from appreciation of the yen, this increase was mainly because the proportion of software sales as well as digital sales over the dedicated video game platform sales increased.

(Operating profit and ordinary profit)

Operating profit increased by 19.5% to 262.9 billion yen compared to the same period of the previous fiscal year. Ordinary profit came to 273.8 billion yen mainly due to an increase in interest income from U.S. dollar deposits, despite a foreign exchange loss of 8.0 billion yen due to appreciation of the yen at the end of this period compared to the end of last fiscal year.

## 2. Briefing of consolidated earnings forecast for the fiscal year ending March 31,2020

Due to the revisions of our financial forecast based on the sales performance for the nine months ended December 31, 2019 and after, we have revised the consolidated earnings forecast issued on “Fiscal Year Earnings” on April 25, 2019 as follows.

- Consolidated Financial Forecast

	Previous forecast announced on April 25, 2019	Modified forecast announced on January 30, 2020
Net Sales	1,250.0 billion yen	1,250.0 billion yen
Operating Profit	260.0 billion yen	300.0 billion yen
Ordinary Profit	260.0 billion yen	300.0 billion yen
Profit Attributable to Owners of Parent	180.0 billion yen	210.0 billion yen

The assumed exchange rates remain unchanged at 105 yen per U.S. dollar and 120 yen per euro.

- Consolidated Unit Sales Forecast

	Previous forecast announced on April 25, 2019	Modified forecast announced on January 30, 2020	Comparison
Nintendo 3DS Hardware	1.0 million units	0.65 million units	-0.35 million units
Nintendo 3DS Software	5.0 million units	4.5 million units	-0.5 million units
Nintendo Switch Hardware	18.0 million units	19.5 million units	1.5 million units
Nintendo Switch Software	125.0 million units	140.0 million units	15.0 million units

※ While projected software volume includes actual posted sales quantity bundled with hardware, it does not include any future bundled software sales.

- Dividend

Reflecting the modifications of consolidated earnings forecasts, the dividend forecast for annual dividend of fiscal year ending March 31, 2020 was modified from 760 yen to 890 yen per share.

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).