



MEMBERSHIP

February 1, 2021

CONSOLIDATED FINANCIAL HIGHLIGHTS



Nintendo Co., Ltd.
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Japan

(Amounts below one million yen are rounded down)

Consolidated Results for the Nine Months Ended December 31, 2019 and 2020

(1) Consolidated operating results

	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, 2020	1,404,463	37.3	521,108	98.2	528,230	92.9	376,665	91.8
Nine months ended December 31, 2019	1,022,668	2.5	262,930	19.5	273,841	14.0	196,389	16.4

[Notes]

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

Comprehensive income: Nine months ended December 31, 2020: 389,573 million yen [100.7%] Nine months ended December 31, 2019: 194,108 million yen [8.5%]

	Profit per share	Diluted profit per share
	yen	yen
Nine months ended December 31, 2020	3,161.97	-
Nine months ended December 31, 2019	1,648.61	-

(2) Consolidated financial positions

	Total assets	Net assets	Capital adequacy ratio
	million yen	million yen	%
As of December 31, 2020	2,328,065	1,736,262	74.6
As of March 31, 2020	1,934,087	1,540,900	79.7

[Reference]

Shareholders equity: As of December 31, 2020: 1,736,022 million yen As of March 31, 2020: 1,540,687 million yen

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, 2020	-	270.00	-	820.00	1,090.00
Year ending March 31, 2021	-	810.00	-		
Year ending March 31, 2021 (forecast)				1,070.00	1,880.00

[Note]

Revisions to previously announced dividend forecast: Applicable

Consolidated Financial Forecast for the Fiscal Year Ending March 31, 2021

	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, 2021	1,600,000	22.3	560,000	58.9	550,000	52.6	400,000	54.7	3,357.86

[Notes]

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

Revisions to previously announced financial forecast: Applicable

Please refer to "Notice of Full-Year Financial Forecast and Dividend Forecast Modifications" announced on February 1, 2021 for more details.

Others

(1) Changes for important subsidiaries during the nine-month period ended December 31, 2020				: 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, 2020 :	131,669,000 shares	As of Mar. 31, 2020 :		131,669,000 shares
2) Number of treasury shares				
As of Dec. 31, 2020 :	12,545,845 shares	As of Mar. 31, 2020 :		12,545,354 shares
3) Average number of shares				
Nine months ended		Nine months ended		
Dec. 31, 2020 :	119,123,454 shares	Dec. 31, 2019 :		119,124,290 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, 2020, the Nintendo Switch business saw continued growth for *Paper Mario: The Origami King*, released in July and selling 3.05 million units, and *Super Mario 3D All-Stars*, released in September as part of the Super Mario Bros. 35th Anniversary campaign and selling 8.32 million units. In addition, strong showings were posted for two titles released in October: *Mario Kart Live: Home Circuit*, selling 1.08 million units, and *Pikmin 3 Deluxe*, selling 1.94 million units. Titles released in previous fiscal years also retained momentum and continued to sell well, making significant contributions as drivers of hardware sales. For example, *Animal Crossing: New Horizons* sold 19.41 million units (for cumulative sales of 31.18 million units), *Mario Kart 8 Deluxe* sold 8.64 million units (for cumulative sales of 33.41 million units), and *Ring Fit Adventure* sold 5.95 million units (for cumulative sales of 8.68 million units). Sales of titles from other software publishers also continued to grow steadily. There were 29 titles which sold over one million units for this fiscal year, including titles from other software publishers. As a result of these factors, hardware sales reached 24.10 million units (an increase of 35.8% year-on-year), and software sales reached 176.10 million units (an increase of 43.0% year-on-year).

Turning to our digital business for dedicated video game platforms, sales were strong for downloadable versions of packaged software for Nintendo Switch. Sales also grew for *The Crown Tundra*, released in October as the second round of add-on content for *Pokémon Sword Expansion Pass* and *Pokémon Shield Expansion Pass*. In addition, sales of download-only software and Nintendo Switch Online were also steady, helping to bring digital sales to 256.0 billion yen (an increase of 104.9% year-on-year).

For the mobile business, many consumers continue to enjoy playing our mobile applications, and our mobile and IP related income reached 42.0 billion yen (an increase of 13.8% year-on-year).

As a result, net sales reached 1,404.4 billion yen, with overseas sales of 1,089.8 billion yen accounting for 77.6% of the total. Operating profit came to 521.1 billion yen, ordinary profit was 528.2 billion yen, and profit attributable to owners of parent totaled 376.6 billion yen.

2. Consolidated Financial Forecast

For Nintendo Switch, we have *Buddy Mission: BOND* slated for release in January, and as part of the Super Mario Bros. 35th Anniversary campaign, we plan to release on the same day in February both *Super Mario 3D World + Bowser's Fury* and Nintendo Switch – Mario Red & Blue Edition, a special edition of the Nintendo Switch system that takes its design inspiration from Mario and comes with a matching carrying case. There is also a rich variety of appealing titles from other software publishers scheduled to be released.

We have revised the financial forecast published on November 5, 2020. For details, please see the Notice of Full-Year Financial Forecast and Dividend Forecast Modifications issued today (February 1, 2021).

3. Consolidated Balance Sheets

million yen

Description	As of March 31, 2020	As of December 31, 2020
(Assets)		
Current assets		
Cash and deposits	890,402	1,102,864
Notes and accounts receivable-trade	133,051	259,456
Securities	326,382	426,273
Inventories	88,994	82,229
Other	63,268	52,088
Allowance for doubtful accounts	(515)	(223)
Total current assets	1,501,583	1,922,688
Non-current assets		
Property, plant and equipment	82,866	82,415
Intangible assets	15,017	14,210
Investments and other assets	334,619	308,750
Total non-current assets	432,504	405,376
Total assets	1,934,087	2,328,065
(Liabilities)		
Current liabilities		
Notes and accounts payable-trade	98,074	196,137
Provisions	4,394	2,016
Income taxes payable	66,411	112,924
Other	186,801	235,410
Total current liabilities	355,683	546,488
Non-current liabilities		
Retirement benefit liability	20,450	20,829
Other	17,052	24,484
Total non-current liabilities	37,503	45,314
Total liabilities	393,186	591,802
(Net assets)		
Shareholders' equity		
Share capital	10,065	10,065
Capital surplus	15,041	15,041
Retained earnings	1,707,119	1,889,613
Treasury shares	(156,798)	(156,824)
Total shareholders' equity	1,575,428	1,757,896
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	10,637	30,670
Foreign currency translation adjustment	(45,378)	(52,544)
Total accumulated other comprehensive income	(34,741)	(21,873)
Non-controlling interests	213	240
Total net assets	1,540,900	1,736,262
Total liabilities and net assets	1,934,087	2,328,065

4. Consolidated Statements of Income

million yen

Description	Nine months ended December 31, 2019	Nine months ended December 31, 2020
Net sales	1,022,668	1,404,463
Cost of sales	556,578	635,646
Gross profit	466,089	768,816
Selling, general and administrative expenses	203,159	247,707
Operating profit	262,930	521,108
Non-operating income		
Interest income	11,956	4,940
Share of profit of entities accounted for using equity method	5,627	7,624
Other	2,242	3,113
Total non-operating income	19,826	15,678
Non-operating expenses		
Foreign exchange losses	8,099	7,439
Other	815	1,117
Total non-operating expenses	8,915	8,556
Ordinary profit	273,841	528,230
Extraordinary income		
Gain on sales of non-current assets	9	2,516
Gain on sales of investment securities	978	40
Total extraordinary income	988	2,556
Extraordinary losses		
Loss on disposal of non-current assets	46	178
Loss on sales of investment securities	56	-
Total extraordinary losses	103	178
Profit before income taxes	274,725	530,608
Total income taxes	78,308	153,903
Profit	196,417	376,705
Profit attributable to non-controlling interests	27	40
Profit attributable to owners of parent	196,389	376,665

5. Consolidated Statements of Comprehensive Income

million yen

Description	million yen	
	Nine months ended December 31, 2019	Nine months ended December 31, 2020
Profit	196,417	376,705
Other comprehensive income		
Valuation difference on available-for-sale securities	4,903	20,232
Foreign currency translation adjustment	(6,529)	(6,347)
Share of other comprehensive income of entities accounted for using equity method	(682)	(1,017)
Total other comprehensive income	(2,309)	12,867
Comprehensive income	194,108	389,573
(Comprehensive income attributable to)		
Comprehensive income attributable to owners of parent	194,080	389,532
Comprehensive income attributable to non-controlling interests	27	40

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, 2020 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, 2020	Dedicated video game platform	296,628	557,621	356,238	150,585	1,361,073
	of which Nintendo Switch platform (*1)	287,196	548,562	350,426	149,097	1,335,282
	of which the others (*2)	9,432	9,059	5,812	1,487	25,791
	Mobile, IP related income, etc. (*3)	16,680	19,595	3,928	1,807	42,011
	Playing cards, etc.	1,267	105	0	5	1,378
Total		314,576	577,322	360,166	152,398	1,404,463

		Japan	The Americas	Europe	Other	Total
Nine months ended December 31, 2019	Dedicated video game platform	209,133	424,125	266,616	83,655	983,531
	of which Nintendo Switch platform (*1)	203,664	410,735	260,702	82,312	957,414
	of which the others (*2)	5,468	13,390	5,914	1,343	26,116
	Mobile, IP related income, etc. (*3)	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

[Note] Digital sales in dedicated video game platform (*4):

Nine months ended December 31, 2020: 256.0 billion yen Nine months ended December 31, 2019: 124.9 billion yen

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

*2 Includes platforms other than Nintendo Switch and also amiibo.

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

*4 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, 2019	Nine months ended December 31, 2020	Year ending March 31, 2021 (Forecast)
Depreciation of property, plant and equipment		4,247	4,084	6,000
Research and development expenses		54,309	70,157	95,000
Advertising expenses		61,079	64,876	85,000
Average exchange rates	1 USD =	108.67 yen	106.04 yen	105.78 yen
	1 Euro =	121.05 yen	122.35 yen	120.50 yen

Consolidated net sales in U.S. dollars	3.8 billion	5.2 billion	-
Consolidated net sales in Euros	2.1 billion	2.8 billion	-
Non-consolidated purchases in U.S. dollars	3.4 billion	4.6 billion	-

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

million U.S. dollars/Euros

		As of March 31, 2020		As of December 31, 2020		As of March 31, 2021
		Balance	Exchange rate	Balance	Exchange rate	Estimated exchange rate
USD	Cash and deposits	3,034		3,360		
	Accounts receivable-trade	665	1 USD=	1,464	1 USD=	1 USD=
	Accounts payable-trade	449	108.83 yen	1,198	103.17 yen	105.00 yen
	Borrowings from subsidiaries	200		100		
Euro	Cash and deposits	436		554		
	Accounts receivable-trade	437	1 Euro=	892	1 Euro=	1 Euro=
	Borrowings from subsidiaries	-	119.55 yen	375	126.53 yen	115.00 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. '19-Dec. '19	Apr. '20-Dec. '20	Dec. '20	Apr. '20-Mar. '21
Nintendo Switch	Hardware	Japan	419	544		1,888	
		The Americas	685	905		3,117	
		Europe	479	628		2,070	
		Other	192	333		911	
		Total	1,774	2,410		7,987	2,650
of which Nintendo Switch		Japan	283	402		1,546	
		The Americas	476	560		2,540	
		Europe	351	426		1,735	
		Other	146	289		814	
		Total	1,256	1,677		6,634	
of which Nintendo Switch Lite		Japan	136	142		342	
		The Americas	209	345		578	
		Europe	128	202		336	
		Other	46	45		97	
		Total	519	733		1,353	
Software		Japan	2,271	3,169		9,889	
		The Americas	5,432	7,954		23,812	
		Europe	3,826	5,238		15,829	
		Other	785	1,250		3,704	
		Total	12,313	17,610		53,234	20,500
New titles		Japan	210	224		782	
		The Americas	244	281		979	
		Europe	254	257		967	

[Notes]

- 1 Software sales units include both packaged and downloadable versions of software, and do not include download-only software and add-on content.
- 2 Each title available in both packaged and downloadable versions is counted as one new title.
- 3 Actual software sales units include the quantity bundled with hardware.
- 4 While forecasted software sales units include the quantity bundled with hardware for nine months ended December 31, 2020, they do not include the quantity to be bundled with hardware on and after January 1, 2021.