

MEMBERSHIP
November 7, 2023

CONSOLIDATED FINANCIAL HIGHLIGHTS

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

(Amounts below one million yen are rounded down)

Consolidated Results for the Six Months Ended September 30, 2022 and 2023

(1) Consolidated operating results

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	million yen	%	million yen	%	million yen	%	million yen	%
Six months ended September 30, 2023	796,237	21.2	279,910	27.0	380,007	17.8	271,298	17.7
Six months ended September 30, 2022	656,974	5.2	220,387	0.2	322,464	36.5	230,451	34.1

[Notes]

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

Comprehensive income: Six months ended September 30, 2023: 344,374 million yen [6.0%] Six months ended September 30, 2022: 324,794 million yen [84.0%]

	Profit per share	Diluted profit per share
	yen	yen
Six months ended September 30, 2023	233.03	-
Six months ended September 30, 2022	197.61	-

[Notes]

The Company enacted a 10-for-1 stock split of its common stock with an effective date of October 1, 2022.

Profit per share is calculated based on the assumption that the stock split was implemented at the beginning of the previous fiscal year.

(2) Consolidated financial positions

	Total assets	Net assets	Capital adequacy ratio
	million yen	million yen	%
As of September 30, 2023	3,170,476	2,468,664	77.8
As of March 31, 2023	2,854,284	2,266,466	79.4

[Reference]

Shareholders equity : As of September 30, 2023: 2,467,518 million yen As of March 31, 2023: 2,266,234 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, 2023	-	630.00	-	123.00	-
Year ending March 31, 2024	-	80.00	-	-	-
Year ending March 31, 2024 (forecast)	-	-	-	101.00	181.00

[Notes]

Revisions to previously announced dividend forecast: Applicable

The Company enacted a 10-for-1 stock split of its common stock with an effective date of October 1, 2022.

The dividend for the 2nd quarter of the fiscal year ended March 31, 2023 presents the amount prior to the stock split.

The dividend for the year-end of the fiscal year ended March 31, 2023 presents the amount after the stock split.

Please refer to "Notice of Dividend (end of 2nd quarter) and Dividend Forecast Modifications" announced on November 7, 2023 for more details.

Consolidated Financial Forecast for the Fiscal Year Ending March 31, 2024

	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, 2024	1,580,000	(1.4)	500,000	(0.9)	600,000	(0.2)	420,000	(3.0)	360.75

[Notes]

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

Revisions to previously announced financial forecast: Applicable

Please refer to "Notice of Full-Year Financial Forecast Modifications" announced on November 7, 2023 for more details.

Others

- (1) Changes for important subsidiaries during the six-month period ended September 30, 2023 : Applicable
 Newly consolidated: 1 company (Nintendo Systems Co., Ltd.)
 Excluded: 1 company (Nintendo France S.A.R.L.)
- (2) Application of accounting procedures specific to the preparation of quarterly consolidated financial statements : 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 Sep. 30, 2023: | 1,298,690,000 shares | As of Mar. 31, 2023: | 1,298,690,000 shares |
| 2) Number of treasury shares | | | |
| As of Sep. 30, 2023: | 134,451,336 shares | As of Mar. 31, 2023: | 134,460,640 shares |
| 3) Average number of shares | | | |
| Six months ended | | Six months ended | |
| Sep. 30, 2023: | 1,164,232,981 shares | Sep. 30, 2022: | 1,166,192,773 shares |

[Notes]

The Company enacted a 10-for-1 stock split of its common stock with an effective date of October 1, 2022.

Outstanding shares (common shares) are calculated based on the assumption that the stock split was implemented at the beginning of the previous fiscal year.

[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 such as fluctuation in foreign exchange rates and other changes in the market environment. Please note such risks and uncertainties may cause the actual results (earnings, dividend, and other results) to be materially different from the forecasts.

1. Consolidated Operating Results

Regarding the Nintendo Switch business during the second quarter (April through September 2023), each title released this fiscal year has sold well, with *The Legend of Zelda: Tears of the Kingdom* (released in May) posting sales of 19.50 million units, and *Pikmin 4* (released in July) posting sales of 2.61 million units. In addition, the April release of *The Super Mario Bros. Movie* positively impacted sales of Mario related titles, such as *Mario Kart 8 Deluxe* which recorded sales of 3.22 million units (for cumulative sales of 57.01 million units). Sales of other titles also continued to grow steadily, bringing the total number of million-seller titles during this period to 16, including titles from other software publishers. As a result of these factors, hardware sales increased 2.4% year-on-year to 6.84 million units, and software unit sales increased 1.8% year-on-year to 97.08 million units.

Turning to our digital business for the dedicated video game platform, downloadable versions of packaged software for Nintendo Switch sold well, and sales related to add-on content and Nintendo Switch Online also increased. Digital sales reached 217.5 billion yen, up 15.8% year-on-year, helped also by the depreciation of the yen.

In the mobile and IP-related business, sales totaled 55.0 billion yen, up 133.3% year-on-year, bolstered mainly by the generation of revenue related to *The Super Mario Bros. Movie* during this term.

The end result is that overall sales reached 796.2 billion yen, with sales outside Japan of 623.6 billion yen accounting for 78.3% of that total. Operating profit came to 279.9 billion yen. Incomes such as foreign exchange gains of 57.7 billion yen helped bring ordinary profit to 380.0 billion yen and profit attributable to owners of parent to 271.2 billion yen.

2. Consolidated Financial Forecast

For hardware, by continuing to convey the appeal of Nintendo Switch, we try not only to put one system in every home, but several in every home, or even one for every person. Another objective is to continually release new offerings so more consumers keep playing Nintendo Switch even longer and we can maximize hardware sales. For software, we released *Super Mario Bros. Wonder* in October as the first entirely new installment in the side-scrolling Super Mario Bros. series in almost 11 years. In that same month we released *Detective Pikachu Returns*, and heading into the holiday season we plan to release more titles, including *WarioWare: Move It!* and *Super Mario RPG* (both set for release in November). In addition, *The Indigo Disk*, the second part of *The Hidden Treasure of Area Zero* add-on content for *Pokémon Scarlet* and *Pokémon Violet*, is scheduled for release in December. Other software publishers also plan to release a wide variety of titles, and we will work to invigorate the platform by supplementing existing titles with a continuous stream of new titles and add-on content.

We have revised the financial forecast originally published on May 9, 2023. For details, please see the Notice of Full-Year Financial Forecast Modifications issued today (November 7, 2023).

3. Consolidated Balance Sheets

million yen

Description	As of March 31, 2023	As of September 30, 2023
(Assets)		
Current assets		
Cash and deposits	1,263,666	1,404,125
Notes and accounts receivable-trade	119,932	129,046
Securities	615,699	664,489
Inventories	258,628	317,285
Other	56,822	91,684
Allowance for doubtful accounts	(236)	(190)
Total current assets	2,314,513	2,606,440
Non-current assets		
Property, plant and equipment	99,509	106,711
Intangible assets	18,595	15,344
Investments and other assets	421,666	441,979
Total non-current assets	539,770	564,035
Total assets	2,854,284	3,170,476
(Liabilities)		
Current liabilities		
Notes and accounts payable-trade	149,217	167,310
Provisions	4,219	4,553
Income taxes payable	82,550	111,724
Other	297,492	354,963
Total current liabilities	533,480	638,552
Non-current liabilities		
Provisions	133	51
Retirement benefit liability	23,084	25,669
Other	31,119	37,538
Total non-current liabilities	54,337	63,259
Total liabilities	587,818	701,812
(Net assets)		
Shareholders' equity		
Share capital	10,065	10,065
Capital surplus	15,079	15,120
Retained earnings	2,392,704	2,520,802
Treasury shares	(271,049)	(271,031)
Total shareholders' equity	2,146,798	2,274,956
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	28,028	31,138
Foreign currency translation adjustment	91,406	161,423
Total accumulated other comprehensive income	119,435	192,561
Non-controlling interests	232	1,146
Total net assets	2,266,466	2,468,664
Total liabilities and net assets	2,854,284	3,170,476

4. Consolidated Statements of Income

million yen

Description	Six months ended September 30, 2022	Six months ended September 30, 2023
Net sales	656,974	796,237
Cost of sales	265,363	324,204
Gross profit	391,610	472,033
Selling, general and administrative expenses	171,222	192,123
Operating profit	220,387	279,910
Non-operating income		
Interest income	7,875	23,456
Foreign exchange gains	76,467	57,773
Other	18,877	19,176
Total non-operating income	103,220	100,406
Non-operating expenses		
Interest expenses	72	63
Loss on sale of securities	1	150
Loss on valuation of investment securities	928	70
Other	139	24
Total non-operating expenses	1,143	308
Ordinary profit	322,464	380,007
Extraordinary income		
Gain on sale of non-current assets	33	3
Total extraordinary income	33	3
Extraordinary losses		
Loss on disposal of non-current assets	143	31
Total extraordinary losses	143	31
Profit before income taxes	322,355	379,980
Total income taxes	91,906	108,732
Profit	230,449	271,247
Loss attributable to non-controlling interests	(2)	(51)
Profit attributable to owners of parent	230,451	271,298

5. Consolidated Statements of Comprehensive Income

million yen

Description	Six months ended September 30, 2022	Six months ended September 30, 2023
Profit	230,449	271,247
Other comprehensive income		
Valuation difference on available-for-sale securities	(1,635)	3,011
Foreign currency translation adjustment	86,781	63,806
Share of other comprehensive income of entities accounted for using equity method	9,199	6,308
Total other comprehensive income	94,345	73,126
Comprehensive income	324,794	344,374
(Comprehensive income attributable to)		
Comprehensive income attributable to owners of parent	324,797	344,425
Comprehensive income attributable to non-controlling interests	(2)	(51)

6. Notes to Consolidated Financial Statements

(Going Concern Assumption)

There are no applicable items.

(Significant changes in shareholders' equity)

There are no applicable items.

(Application of accounting procedures specific to the preparation of quarterly consolidated financial statements)

(Calculation of tax expenses)

With respect to certain consolidated subsidiaries, corporate income tax amount is calculated by taking the amount of profit before income taxes through the six-month period ended September 30, 2023 multiplied by a 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
Six months ended September 30, 2023	Dedicated video game platform	158,726	307,278	177,925	92,837	736,767
	of which Nintendo Switch platform (*1)	151,410	304,752	175,807	91,399	723,369
	of which the others (*2)	7,316	2,526	2,117	1,438	13,398
	Mobile, IP related income, etc. (*3)	10,537	39,769	3,764	939	55,010
	Playing cards, etc.	3,273	1,063	-	122	4,459
Total		172,537	348,111	181,689	93,899	796,237

		Japan	The Americas	Europe	Other	Total
Six months ended September 30, 2022	Dedicated video game platform	148,499	272,857	148,801	61,254	631,412
	of which Nintendo Switch platform (*1)	141,826	267,277	146,846	60,193	616,143
	of which the others (*2)	6,673	5,579	1,954	1,061	15,269
	Mobile, IP related income, etc. (*3)	8,703	11,939	2,173	764	23,581
	Playing cards, etc.	1,165	814	-	0	1,979
Total		158,367	285,611	150,975	62,019	656,974

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

Six months ended September 30, 2023: 217.5 billion yen Six months ended September 30, 2022: 187.8 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 visual content, smart-device content and royalties.

*4. Includes downloadable versions of packaged software, download-only software, add-on content and Nintendo Switch Online.

(2) Other consolidated information

million yen

		Six months ended September 30, 2022	Six months ended September 30, 2023	Year ending March 31, 2024 (Forecast)
Depreciation of property, plant and equipment		3,069	3,401	7,000
Research and development expenses		51,321	59,433	130,000
Advertising expenses		39,069	44,336	105,000
Average exchange rates	1 USD =	133.93 yen	140.96 yen	140.48 yen
	1 Euro =	138.66 yen	153.40 yen	151.69 yen

Consolidated net sales in U.S. dollars	2.0 billion	2.3 billion	-
Consolidated net sales in Euros	1.0 billion	1.1 billion	-
Non-consolidated purchases in U.S. dollars	1.9 billion	2.1 billion	-

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

million U.S. dollars/Euros

		As of March 31, 2023		As of September 30, 2023		As of March 31, 2024
		Balance	Exchange rate	Balance	Exchange rate	Estimated exchange rate
USD	Cash and deposits	2,560		2,405		
	Accounts receivable-trade	893	1 USD= 133.00 yen	872	1 USD= 149.37 yen	1 USD= 140.00 yen
	Accounts payable-trade	816		801		
Euro	Cash and deposits	199	1 Euro= 144.67 yen	256	1 Euro= 157.94 yen	1 Euro= 150.00 yen
	Accounts receivable-trade	663		742		

(4) Consolidated sales units, number of new titles, and sales units forecast

				Sales Units in Ten Thousands	
		Actual	Actual	Number of New Titles Released	
		Apr. '22-Sep. '22	Apr. '23-Sep. '23	Life-to-date Sep. '23	Forecast Apr. '23-Mar. '24
Nintendo Switch					
Hardware (Total)					
	Japan	173	218	3,177	
	The Americas	256	203	5,103	
	Europe	169	157	3,415	
	Other	70	106	1,551	
	Total	668	684	13,246	1,500
of which Nintendo Switch					
	Japan	44	29	2,003	
	The Americas	91	37	3,512	
	Europe	72	41	2,467	
	Other	15	18	1,102	
	Total	223	125	9,083	
of which Nintendo Switch – OLED Model					
	Japan	114	159	604	
	The Americas	112	129	611	
	Europe	79	102	452	
	Other	49	79	304	
	Total	353	469	1,971	
of which Nintendo Switch Lite					
	Japan	15	30	571	
	The Americas	52	38	980	
	Europe	18	14	496	
	Other	6	9	145	
	Total	92	90	2,192	
Software					
	Japan	2,073	1,737	21,752	
	The Americas	3,770	4,212	49,839	
	Europe	2,846	2,697	32,788	
	Other	853	1,062	8,943	
	Total	9,541	9,708	113,323	18,500
New titles					
	Japan	151	180	1,706	
	The Americas	252	245	2,113	
	Europe	227	222	2,041	

[Notes]

1. Software sales units include both packaged and downloadable versions of software, and do not include download-only software or add-on content.
2. The number of new titles is the number of packaged software.
3. Actual software sales units include the quantity bundled with hardware or other products.
4. While forecasted software sales units include the quantity bundled with hardware or other products for six months ended September 30, 2023, they do not include the quantity to be bundled with hardware or other products on and after October 1, 2023.