

MEMBERSHIP
February 6, 2024

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 Nine Months Ended December 31, 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	%
Nine months ended December 31, 2023	1,394,796	7.7	464,410	13.1	567,357	17.6	408,041	17.9
Nine months ended December 31, 2022	1,295,178	(1.9)	410,541	(13.1)	482,580	(6.1)	346,227	(5.8)

[Notes]

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

Comprehensive income: Nine months ended December 31, 2023: 448,431 million yen [13.9%] Nine months ended December 31, 2022: 393,581 million yen [2.0%]

	Profit per share	Diluted profit per share
	yen	yen
Nine months ended December 31, 2023	350.48	-
Nine months ended December 31, 2022	297.05	-

[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 December 31, 2023	3,073,719	2,479,582	80.6
As of March 31, 2023	2,854,284	2,266,466	79.4

[Reference]

Shareholders equity: As of December 31, 2023: 2,478,369 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)				109.00	189.00

[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 Full-Year Financial Forecast and Dividend Forecast Modifications" announced on February 6, 2024 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	1,630,000	1.8	510,000	1.1	620,000	3.1	440,000	1.7	377.93

[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 6, 2024 for more details.

Others

- (1) Changes for important subsidiaries during the nine-month period ended December 31, 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 Dec. 31, 2023: | 1,298,690,000 shares | As of Mar. 31, 2023: | 1,298,690,000 shares |
| 2) Number of treasury shares | | | |
| As of Dec. 31, 2023: | 134,451,355 shares | As of Mar. 31, 2023: | 134,460,640 shares |
| 3) Average number of shares | | | |
| Nine months ended
Dec. 31, 2023: | 1,164,234,879 shares | Nine months ended
Dec. 31, 2022: | 1,165,536,002 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 nine months ended December 31, 2023, *Super Mario Bros. Wonder*, the first entirely new installment in the side-scrolling Super Mario Bros. series in almost 11 years, saw a solid start with sales of 11.96 million units. Sales also grew for other new titles released this fiscal year, with *The Legend of Zelda: Tears of the Kingdom* selling 20.28 million units and *Pikmin 4* selling 3.33 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 6.79 million units (for cumulative sales of 60.58 million units). As a result of these factors, the total number of million-seller titles during this period was 24, including titles from other software publishers. Sales of Nintendo Switch continued to be steady in the seventh year since its launch, with hardware sales totaling 13.74 million units (a decrease of 7.8% year-on-year) and software sales totaling 163.95 million units (a decrease of 4.7% year-on-year) for the period.

Turning to the digital business for our dedicated video game platform, downloadable versions of packaged software and add-on content for Nintendo Switch sold well, and sales related to Nintendo Switch Online also increased. Digital sales reached 346.4 billion yen, up 11.7% year-on-year, helped also by the depreciation of the yen.

In the mobile and IP related business, sales totaled 75.2 billion yen (an increase of 93.4% 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 1,394.7 billion yen, with sales outside Japan of 1,097.5 billion yen accounting for 78.7% of the total. Operating profit came to 464.4 billion yen, ordinary profit was 567.3 billion yen, and profit attributable to owners of parent totaled 408.0 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. Looking at software, we released *Another Code: Recollection* in January and plan to follow up with the release of *Mario vs. Donkey Kong* in February and *Princess Peach: Showtime!* in March. In addition, *Splatoon 3: Expansion Pass - Side Order*, the second wave of paid add-on content for *Splatoon 3*, is scheduled to arrive in February. 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 November 7, 2023. For details, please see the Notice of Full-Year Financial Forecast and Dividend Forecast Modifications issued today (February 6, 2024).

3. Consolidated Balance Sheets

million yen

Description	As of March 31, 2023	As of December 31, 2023
(Assets)		
Current assets		
Cash and deposits	1,263,666	1,357,862
Notes and accounts receivable-trade	119,932	209,121
Securities	615,699	652,430
Inventories	258,628	173,556
Other	56,822	128,639
Allowance for doubtful accounts	(236)	(253)
Total current assets	2,314,513	2,521,357
Non-current assets		
Property, plant and equipment	99,509	106,546
Intangible assets	18,595	14,886
Investments and other assets	421,666	430,928
Total non-current assets	539,770	552,361
Total assets	2,854,284	3,073,719
(Liabilities)		
Current liabilities		
Notes and accounts payable-trade	149,217	96,113
Provisions	4,219	2,532
Income taxes payable	82,550	59,939
Other	297,492	371,012
Total current liabilities	533,480	529,599
Non-current liabilities		
Provisions	133	84
Retirement benefit liability	23,084	25,314
Other	31,119	39,139
Total non-current liabilities	54,337	64,538
Total liabilities	587,818	594,137
(Net assets)		
Shareholders' equity		
Share capital	10,065	10,065
Capital surplus	15,079	15,120
Retained earnings	2,392,704	2,564,406
Treasury shares	(271,049)	(271,031)
Total shareholders' equity	2,146,798	2,318,559
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	28,028	25,665
Foreign currency translation adjustment	91,406	134,144
Total accumulated other comprehensive income	119,435	159,809
Non-controlling interests	232	1,212
Total net assets	2,266,466	2,479,582
Total liabilities and net assets	2,854,284	3,073,719

4. Consolidated Statements of Income

million yen

Description	million yen	
	Nine months ended December 31, 2022	Nine months ended December 31, 2023
Net sales	1,295,178	1,394,796
Cost of sales	597,512	616,559
Gross profit	697,666	778,236
Selling, general and administrative expenses	287,124	313,826
Operating profit	410,541	464,410
Non-operating income		
Interest income	15,423	36,602
Share of profit of entities accounted for using equity method	24,335	24,839
Foreign exchange gains	28,914	34,264
Other	4,285	7,586
Total non-operating income	72,959	103,293
Non-operating expenses		
Interest expenses	107	93
Loss on sale of securities	55	153
Other	757	99
Total non-operating expenses	920	345
Ordinary profit	482,580	567,357
Extraordinary income		
Gain on sale of non-current assets	42	5
Total extraordinary income	42	5
Extraordinary losses		
Loss on disposal of non-current assets	154	64
Total extraordinary losses	154	64
Profit before income taxes	482,469	567,298
Total income taxes	136,213	159,241
Profit	346,256	408,056
Loss attributable to non-controlling interests	29	15
Profit attributable to owners of parent	346,227	408,041

5. Consolidated Statements of Comprehensive Income

million yen

Description	Nine months ended December 31, 2022	Nine months ended December 31, 2023
Profit	346,256	408,056
Other comprehensive income		
Valuation difference on available-for-sale securities	(7,233)	(2,458)
Foreign currency translation adjustment	42,025	34,531
Share of other comprehensive income of entities accounted for using equity method	12,533	8,302
Total other comprehensive income	47,325	40,374
Comprehensive income	393,581	448,431
(Comprehensive income attributable to)		
Comprehensive income attributable to owners of parent	393,552	448,415
Comprehensive income attributable to non-controlling interests	29	15

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 nine-month period ended December 31, 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
Nine months ended December 31, 2023	Dedicated video game platform	273,813	558,488	344,000	134,684	1,310,987
	of which Nintendo Switch platform (*1)	259,590	554,436	340,199	132,179	1,286,406
	of which the others (*2)	14,222	4,051	3,800	2,505	24,580
	Mobile, IP related income, etc. (*3)	17,269	51,567	5,108	1,302	75,248
	Playing cards, etc.	6,181	1,710	-	669	8,561
Total		297,264	611,766	349,108	136,656	1,394,796

		Japan	The Americas	Europe	Other	Total
Nine months ended December 31, 2022	Dedicated video game platform	289,690	533,056	319,162	110,263	1,252,174
	of which Nintendo Switch platform (*1)	278,317	526,885	316,643	108,787	1,230,634
	of which the others (*2)	11,373	6,170	2,519	1,476	21,540
	Mobile, IP related income, etc. (*3)	13,905	20,512	3,368	1,117	38,903
	Playing cards, etc.	2,694	1,399	-	7	4,100
Total		306,291	554,968	322,531	111,388	1,295,178

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

Nine months ended December 31, 2023: 346.4 billion yen Nine months ended December 31, 2022: 310.0 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

		Nine months ended December 31, 2022	Nine months ended December 31, 2023	Year ending March 31, 2024 (Forecast)
Depreciation of property, plant and equipment		4,745	5,193	7,000
Research and development expenses		78,378	92,365	130,000
Advertising expenses		76,317	83,766	105,000
Average exchange rates	1 USD =	136.39 yen	143.22 yen	142.42 yen
	1 Euro =	140.47 yen	155.26 yen	155.19 yen

Consolidated net sales in U.S. dollars	3.7 billion	4.0 billion	-
Consolidated net sales in Euros	2.2 billion	2.2 billion	-
Non-consolidated purchases in U.S. dollars	3.2 billion	2.8 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 December 31, 2023		As of March 31, 2024
		Balance	Exchange rate	Balance	Exchange rate	Estimated exchange rate
USD	Cash and deposits	2,560		2,207		
	Accounts receivable-trade	893	1 USD= 133.00 yen	497	1 USD= 141.04 yen	1 USD= 140.00 yen
	Accounts payable-trade	816		397		
Euro	Cash and deposits	199	1 Euro=	215	1 Euro=	1 Euro=
	Accounts receivable-trade	663	144.67 yen	398	155.72 yen	155.00 yen

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

		Sales Units in Ten Thousands			
		Actual		Number of New Titles Released	
		Actual	Actual	Life-to-date	Forecast
		Apr. '22-Dec. '22	Apr. '23-Dec. '23	Dec. '23	Apr. '23-Mar. '24
Nintendo Switch					
Hardware (Total)	Japan	382	374	3,334	
	The Americas	563	485	5,385	
	Europe	411	356	3,615	
	Other	135	159	1,603	
	Total	1,491	1,374	13,936	1,550
of which Nintendo Switch	Japan	88	53	2,026	
	The Americas	221	146	3,622	
	Europe	181	117	2,543	
	Other	31	24	1,108	
	Total	522	340	9,298	
of which Nintendo Switch – OLED Model	Japan	248	258	703	
	The Americas	232	235	717	
	Europe	195	201	551	
	Other	93	123	347	
	Total	769	817	2,318	
of which Nintendo Switch Lite	Japan	45	64	605	
	The Americas	110	103	1,046	
	Europe	34	39	521	
	Other	10	12	148	
	Total	200	218	2,320	
Software	Japan	3,826	3,258	23,273	
	The Americas	6,810	6,850	52,477	
	Europe	5,154	4,770	34,861	
	Other	1,422	1,517	9,399	
	Total	17,211	16,395	120,010	19,000
New titles	Japan	264	300	1,826	
	The Americas	349	343	2,211	
	Europe	299	311	2,130	

[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 nine months ended December 31, 2023, they do not include the quantity to be bundled with hardware or other products on and after January 1, 2024.