



CONSOLIDATED FINANCIAL HIGHLIGHTS



Nintendo Co., Ltd.
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Japan

Consolidated Results for the Six Months Ended September 2007 and 2008

(1) Consolidated operating results

(Amounts below one million are rounded down)

	Net sales	Operating income	Income before income taxes and extraordinary items	Net income
	million yen	million yen	million yen	million yen
Six months ended Sept. 30, '08	836,879	252,183	237,306	144,828
Six months ended Sept. 30, '07	694,803	188,784	215,376	132,421

	Net income per share
	yen
Six months ended Sept. 30, '08	1,132.46
Six months ended Sept. 30, '07	1,035.36

(2) Consolidated financial position

	Total assets	Net assets	Capital adequacy ratio	Net assets per share
	million yen	million yen	%	yen
As of Sept. 30, '08	1,832,151	1,228,466	67.0	9,605.04
As of Mar. 31, '08	1,802,490	1,229,973	68.2	9,616.69

Dividends

	Dividend per share			
	End of 1st quarter	End of 2nd quarter	End of 3rd quarter	Year-end
	yen	yen	yen	yen
Year ended Mar. 31, '08	-	140.00	-	1,120.00
Year ending Mar. 31, '09	-	660.00	—	—
Year ending Mar. 31, '09 (forecast)	—	—	-	970.00

	Dividend per share
	Annual
	yen
Year ended Mar. 31, '08	1,260.00
Year ending Mar. 31, '09	—
Year ending Mar. 31, '09 (forecast)	1,630.00

Consolidated Financial Forecast for the Fiscal Year Ending March 31, 2009

	Net sales		Operating income		Income before income taxes and extraordinary items		Net income	
Year ending Mar. 31, '09	million yen	%	million yen	%	million yen	%	million yen	%
	2,000,000	19.6	630,000	29.3	580,000	31.6	345,000	34.1

	Net income per share
Year ending Mar. 31, '09	yen
	2,697.69

[Note]

Percentages for net sales, operating income etc. for the year ending March 31, '09 show increase (decrease) from previous year.

Others

(1) Changes for important subsidiaries during the fiscal year : Not applicable

(2) Application of simplified methods for accounting procedures : Applicable

[Note] Please refer to "4. Other Information" at page 4 for details.

(3) Changes in accounting procedures

① Related to accounting standard revisions etc. : Applicable

② Other changes : Applicable

[Note] Please refer to "4. Other Information" at page 4 for details.

(4) Outstanding shares (common shares)

① Number of shares outstanding (including treasury stock)

As of Sept. 30, 2008 : 141,669,000 shares As of Mar. 31, 2008 : 141,669,000 shares

② Number of treasury stock

As of Sept. 30, 2008 : 13,782,784 shares As of Mar. 31, 2008 : 13,779,353 shares

③ Average number of shares

Six months ended Sept. 30, 2008 : 127,887,945 shares Six months ended Sept. 30, 2007 : 127,899,242 shares

[Note]

Forecasts announced by the Company 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). With respect to this forecast, please refer to pages 3 for the forward-looking conditions and other related matters.

1. Consolidated Operating Results

Net sales for this six-month period ended September 30, 2008 were 836.8 billion yen. Operating income, income before income taxes and extraordinary items and net income were 252.1 billion yen, 237.3 billion yen and 144.8 billion yen, respectively.

Within the electronic entertainment products division, in the hand-held device business, "Nintendo DS" continued to enjoy robust sales in the US and Europe compared with the same period a year ago. Worldwide unit sales of "Nintendo DS" hardware were 13.73 million units for the first six months of this fiscal year and have reached 84.33 million units life-to-date. "Nintendo DS" software, "Pokémon Platinum" was released in Japan and sales exceeded one million units in the first three days immediately after launch. "Pokémon Mystery Dungeon: Explorers of Darkness/Explorers of Time" was released in the US and Europe and made a strong contribution to sales in the category. In addition, licensee titles which sold over one million units also increased. Worldwide sales of "Nintendo DS" software were 85.02 million units in the first six months of this year and have reached 454.63 million units life-to-date.

In the console business, "Wii" hardware has displayed increasing popularity in the US and Europe and has sold a total of 10.1 million units worldwide in the first two quarters of this year and 34.55 million units life-to-date. Regarding "Wii" software, "Mario Kart Wii", which allows players to feel as if they were actually driving with a wheel shaped "Wii Wheel" controller, and "Wii Fit", which allows players to enjoy exercise with their families, had favorable receptions. In addition, long-term selling titles such as "Wii Play", various licensee titles, as well as various other types of games have continued to enjoy robust sales. Thus, worldwide sales of "Wii" software in the first six months were 81.41 million units, a large increase from the same period in 2007. "Wii" software sales have reached 229.85 million units life-to-date.

Net sales in the electronic entertainment products division were 835.4 billion yen, while sales in the other products division (playing cards, karuta, etc.) were 1.4 billion yen.

With regard to results by geographic segment, sales in Japan were 869.6 billion yen including inter-segment sales of 767.6 billion yen. Operating income was 292.8 billion yen. Sales in the Americas were 331 billion yen including inter-segment sales of 1 billion yen. Operating income was 17.5 billion yen. Sales in Europe were 361.9 billion yen including inter-segment sales of 5 million yen. Operating income was 16.7 billion yen.

2. Consolidated Financial Position

During this half-year period ended September 30, 2008, total assets increased by 29.6 billion yen compared to the previous fiscal year-end to 1,832.1 billion yen, mostly due to the rise of finished goods inventory in advance of the holiday season sales. Total liabilities also increased by 31.1 billion yen compared to the previous fiscal year-end to 603.6 billion yen primarily due to the rise of notes and trade accounts payable.

3. Consolidated Financial Forecast

Nintendo will continue to pursue expansion of the gaming audience and provide products that offer unique entertainment that puts smiles on the faces of people of all ages and genders.

To accelerate current sales momentum of "Nintendo DS" to "must-have for everyone", Nintendo has announced a new handheld device, "Nintendo DSi" which will launch on November 1, 2008, in Japan. "Nintendo DSi" has built-in memory and allows players to customize their own "Nintendo DSi" as they like (called "My DS"). Regarding "Wii", Nintendo is developing software which will attract both novice players and skilled game players and is creating peripheral accessories which will provide players with new entertainment.

With respect to consolidated earnings forecasts, please refer to "Notice of Financial Forecast Modifications" released today. Assumed exchange rates are as follows: 100 yen per U.S. dollar, and 140 yen per euro. For full-year sales unit forecast, please take a look at page 11.

4. Other Information

(Application of simplified method for accounting procedures)

(Calculating corporate income taxes etc.) In computing corporate income taxes, only major items are taken into account in terms of additions and deductions for the income and tax credits.

(Calculating income taxes) With respect to certain consolidated subsidiaries, corporate income tax amount is calculated by multiplying reasonably estimated annual effective tax rate through the six-month period ended September 2008, with the effects of deferred taxes reflected, by the amount of year-to-date income before income taxes and minority interests.

(Changes in accounting procedures)

(Application of accounting standard for quarterly financial reporting) Effective from the fiscal year ending March 31, 2009, the "Accounting Standard for Quarterly Financial Reporting" (ASBJ Statement No. 12) and its implementation guidance, "Guidance on Accounting Standard for Quarterly Financial Reporting" (ASBJ Guidance No. 14) have been applied. Quarterly consolidated financial statements have been prepared in accordance with "Regulation for Quarterly Consolidated Financial Reporting".

(A valuation basis and method for important assets) Previously, lower of cost or market method based on the weighted-average method was adopted for measuring inventories held for sales in the ordinary course of business. Effective from the first quarter ended June 30, 2008, the "Accounting Standard for Measurement of Inventories" (ASBJ Statement No. 9) has been applied, and now these inventories are measured by means of the cost method based on the weighted-average method, which evaluates the amount of the inventories shown on the balance sheet by writing them down based on their decrease in profitability.
The impact on operating income, income before income taxes and extraordinary items, and income before income taxes and minority interests is minor.

(Application of accounting standard for lease transactions)

Finance lease transactions without title transfer were formerly accounted for in accordance with the method used for ordinary lease transactions. Effective with the first quarter ended June 30, 2008, the "Accounting Standard for Lease Transactions" (ASBJ Statement No. 13) and "Guidance on Accounting Standard for Lease Transactions" (ASBJ Guidance No. 16) were applied.

Leased assets related to finance lease transactions without title transfer are depreciated on a straight-line basis, with the lease periods used as their useful lives and no residual value. The change in accounting method does not impact operating income, income before income taxes and extraordinary items, or income before income taxes and minority interests.

The accounting treatment for finance lease transactions without title transfer which took place before this new rule was applied remains the same (in accordance with the method applied for ordinary operating lease transactions).

(Application of practical solution on unification of accounting policies applied to foreign subsidiaries for consolidated financial statements)

Effective from the first quarter ended June 30, 2008, the "Practical Solution on Unification of Accounting Policies Applied to Foreign Subsidiaries for Consolidated Financial Statements" (ASBJ PITF No. 18) has been applied. Accordingly, some revisions are made to the consolidated accounts as necessary.

The impact on operating income, income before income taxes and extraordinary items, and income before income taxes and minority interests is minor.

5. Consolidated Balance Sheets

million yen

Description	As of September 30, 2008	As of March 31, 2008
	Amount	Amount
(Assets)		
I Current assets		
Cash and deposits	837,930	899,251
Notes and trade accounts receivable	157,767	147,787
Securities	326,615	353,070
Finished goods	164,971	92,617
Goods in process	611	200
Raw materials and supplies	14,006	12,023
Other current assets	178,434	144,060
Allowance for doubtful accounts	(3,781)	(2,176)
Total current assets	1,676,557	1,646,834
II Fixed assets		
Property, plant and equipment	57,305	55,150
Intangible assets	1,884	2,009
Investments and other assets	96,404	98,495
Total fixed assets	155,594	155,655
Total assets	1,832,151	1,802,490

million yen

Description	As of September 30, 2008	As of March 31, 2008
	Amount	Amount
(Liabilities)		
I Current liabilities		
Notes and trade accounts payable	358,573	335,820
Accrued income taxes	115,482	112,450
Allowances	2,207	1,848
Other current liabilities	118,049	117,103
Total current liabilities	594,312	567,222
II Non-current liabilities		
Allowances	4,692	4,506
Other non-current liabilities	4,679	786
Total non-current liabilities	9,371	5,293
Total liabilities	603,684	572,516
(Net assets)		
I Owners' equity		
Common stock	10,065	10,065
Additional paid-in capital	11,688	11,640
Retained earnings	1,383,101	1,380,430
Treasury stock	(156,425)	(156,184)
Total owners' equity	1,248,430	1,245,951
II Valuation and translation adjustments		
Unrealized gains on other securities	4,758	5,418
Translation adjustments	(24,835)	(21,495)
Total valuation and translation adjustments	(20,077)	(16,077)
III Minority interests	114	98
Total net assets	1,228,466	1,229,973
Total liabilities and net assets	1,832,151	1,802,490

6. Consolidated Statement of Income

million yen

Description	Six months ended September 30, 2008
	Amount
I Net sales	836,879
II Cost of sales	469,831
Gross margin	367,048
III Selling, general, and administrative expenses	114,864
Operating income	252,183
IV Other income	20,528
Interest income	18,862
Other	1,665
V Other expenses	35,404
Sales discount	351
Foreign exchange losses	33,584
Other	1,468
Income before income taxes and extraordinary items	237,306
VI Extraordinary gains	1,959
VII Extraordinary losses	92
Income before income taxes and minority interests	239,172
Provision for income taxes and enterprise taxes	127,417
Income taxes deferred	(33,088)
Minority interests	15
Net income	144,828

(Reference)

[Summary] Consolidated Statement of Income

million yen

Description	Six months ended September 30, 2007
	Amount
I Net sales	694,803
II Cost of sales	413,048
Gross margin	281,754
III Selling, general, and administrative expenses	92,969
Operating income	188,784
IV Other income	27,259
Interest income	20,891
Foreign exchange gains	2,149
Other	4,218
V Other expenses	666
Sales discount	510
Other	156
Income before income taxes and extraordinary items	215,376
VI Extraordinary gains	3,885
VII Extraordinary losses	1,623
Income before income taxes and minority interests	217,639
Income taxes and enterprise taxes	97,398
Income taxes deferred	(12,103)
Minority interests	(76)
Net income	132,421

Segment Information

1. Segment Information by Business Categories

Considering similarities of categories, characteristics, manufacturing method, or sales market of what Nintendo deals in, the electronic entertainment product segment accounts for over 90% of total sales and operating income of all business category segments, with no other segments to be reported on the basis of disclosure rules. Therefore, this information is not applicable to Nintendo's business.

2. Segment Information by Seller's Location

Six months ended September 30, 2008

million yen

	Japan	The Americas	Europe	Other	Total	Eliminations or corporate	Consolidated
Net sales							
(1) Sales to third parties	102,004	329,928	361,902	43,044	836,879	-	836,879
(2) Inter-segment sales	767,628	1,073	5	182	768,890	(768,890)	-
Total	869,632	331,002	361,907	43,227	1,605,770	(768,890)	836,879
Operating income	292,804	17,542	16,719	2,592	329,659	(77,475)	252,183

3. Overseas sales

Six months ended September 30, 2008

million yen

	The Americas	Europe	Other	Total
I Overseas sales	330,698	361,910	48,047	740,655
II Consolidated net sales				836,879
III Ratio of overseas sales to consolidated net sales	39.5%	43.2%	5.8%	88.5%

7. Others

(1) Consolidated sales information

million yen

Business Category	Main products	Six months ended September 30, 2007	Six months ended September 30, 2008
Electronic entertainment products	Hardware	452,687	515,486
	Software	240,611	319,924
	Electronic entertainment products total	693,299	835,410
Other	Playing cards, Karuta, etc.	1,503	1,469
Total		694,803	836,879

(2) Reference

million yen

	Six months ended September 30, 2007	Six months ended September 30, 2008	Year ending March 31, '09 (forecast)
Depreciation expenses of tangible assets	3,358	3,787	7,600
Research and development expenses	18,084	18,487	40,000
Marketing expenses	46,335	59,727	125,000
Number of employees (at period end)	3,586	3,977	—

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

			Actual		Sales units in ten thousands Number of new titles released		
			Actual Apr.-Sept. '07	Actual Apr.-Sept. '08	Life-to-date	Forecast Apr. '08-Mar. '09	
Game Boy Advance	Hardware	Japan	7	3	1,691		
		The Americas	55	(0)	4,164		
		Other	39	27	2,280		
		Total	102	30	8,136		
	Software	Japan	22	11	7,283		
		The Americas	487	34	21,723		
		Other	129	2	8,706		
		Total	638	47	37,713		
	New titles	Japan	-	-	786		
		The Americas	18	-	1,021		
Other		11	-	921			
Nintendo DS	Hardware	Japan	368	132	2,371		
		The Americas	432	524	2,763		
		Other	535	717	3,299		
		Total	1,335	1,373	8,433	3,050	
	Software	Japan	2,001	1,375	12,875		
		The Americas	2,440	3,640	15,959		
		Other	3,109	3,488	16,628		
		Total	7,550	8,502	45,463	20,700	
	New titles	Japan	207	214	1,117		
		The Americas	121	172	739		
		Other	138	202	806		
	Wii	Hardware	Japan	167	101	691	
			The Americas	309	458	1,519	
Other			257	451	1,245		
Total			733	1,010	3,455	2,750	
Software		Japan	577	570	2,676		
		The Americas	1,900	4,288	12,225		
		Other	1,220	3,283	8,084		
		Total	3,697	8,141	22,985	20,000	
New titles		Japan	36	42	195		
		The Americas	67	96	337		
		Other	47	79	308		

[Notes]

- 1 New titles-Other include new titles in the European and Australian markets.
- 2 Sales units, number of new titles figures for Wii do not include quantity of the Virtual Console and WiiWare titles.
- 3 Software forecast figures do include quantity bundled with hardware for the results ended September 30, 2008, however, software forecast figures in and after October 2008 do not include quantity bundled with hardware.

(4) Balance of assets and liabilities in major foreign currencies without exchange contract (non-consolidated)

		million U.S. dollars/euros			
		Ending balance as of Sept. 30, '08	Ave. exchange rate Apr.-Sept. '08	Exchange Rate as of Sept. 30, '08	Est. exchange rate as of Mar. 31, '09
US\$	Cash and deposits	1,857	US\$1.00 =	US\$1.00 =	US\$1.00 =
US\$	Trade accounts receivable	1,854	¥106.11	¥103.57	¥100.00
US\$	Trade accounts payable	513			
EUR	Cash and deposits	2,320	EUR1.00 =	EUR1.00 =	EUR1.00 =
EUR	Trade accounts receivable	1,262	¥162.68	¥149.05	¥140.00