

MEMBERSHIP
July 26, 2017

CONSOLIDATED FINANCIAL HIGHLIGHTS



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

Consolidated Results for the Three Months Ended June 30, 2016 and 2017

(1) Consolidated operating results

(Amounts below one million yen are rounded down)

| | Net sales | | Operating profit | | Ordinary profit | | Profit attributable to owners of parent | |
|----------------------------------|-------------|--------|------------------|---|-----------------|---|---|---|
| | million yen | % | million yen | % | million yen | % | million yen | % |
| Three months ended June 30, 2017 | 154,069 | 148.6 | 16,208 | - | 30,960 | - | 21,260 | - |
| Three months ended June 30, 2016 | 61,969 | (31.3) | (5,134) | - | (38,674) | - | (24,534) | - |

[Note]

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

| | Profit per share | |
|----------------------------------|------------------|--|
| | yen | |
| Three months ended June 30, 2017 | 177.09 | |
| Three months ended June 30, 2016 | (204.23) | |

(2) Consolidated financial positions

| | Total assets | Net assets | Capital adequacy ratio |
|----------------------|--------------|-------------|------------------------|
| | million yen | million yen | % |
| As of June 30, 2017 | 1,475,601 | 1,234,658 | 83.5 |
| As of March 31, 2017 | 1,468,978 | 1,250,972 | 85.2 |

Dividends

| | Dividend per share | | | | |
|---------------------------------------|--------------------|--------------------|--------------------|----------|--------|
| | End of 1st quarter | End of 2nd quarter | End of 3rd quarter | Year-end | Annual |
| | yen | | | | |
| Year ended March 31, 2017 | - | 0.00 | - | 430.00 | 430.00 |
| Year ending March 31, 2018 (forecast) | - | - * | - | - * | 190.00 |

[Note]

*Dividends are paid twice a year after the end of the second quarter and at the fiscal year-end based on profit levels achieved in each fiscal year as our basic policy. As for the dividend forecast for the fiscal year ending March 31, 2018, only the annual dividend is described because the financial forecast for the year is prepared only on a full fiscal year basis and the dividend cannot be separately forecasted between the interim and the fiscal year-end.

Consolidated Financial Forecast for the Fiscal Year Ending March 31, 2018

| | 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, 2018 | 750,000 | 53.3 | 65,000 | 121.4 | 60,000 | 19.1 | 45,000 | (56.1) | 374.60 |

[Note]

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

Others

- (1) Changes for important subsidiaries during the three-month period ended June 30, 2017 : Applicable
 Newly consolidated: Nintendo Sales Co., Ltd.
- (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 June 30, 2017 : | 141,669,000 shares | As of March 31, 2017 : | 141,669,000 shares |
|-----------------------|--------------------|------------------------|--------------------|
 - ② Number of treasury shares

| | | | |
|-----------------------|-------------------|------------------------|-------------------|
| As of June 30, 2017 : | 21,612,278 shares | As of March 31, 2017 : | 21,541,341 shares |
|-----------------------|-------------------|------------------------|-------------------|
 - ③ Average number of shares

| | | | |
|---------------------------------------|--------------------|---------------------------------------|--------------------|
| Three months ended June 30, 2017 : | 120,056,885 shares | Three months ended June 30, 2016 : | 120,129,162 shares |
|---------------------------------------|--------------------|---------------------------------------|--------------------|

[Notes]

1. This earnings release report is not subject to quarterly review procedures based on the Financial Instruments and Exchange Act.
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 first quarter of this period (April through June 2017), for Nintendo Switch, we released *Mario Kart 8 Deluxe* in April to favorable response, selling 3.54 million units worldwide. *ARMS*, released in June, is also off to a good start with 1.18 million units sold globally. In addition, *The Legend of Zelda: Breath of the Wild*, released in the previous period, has also continued to perform well, selling 1.16 million units worldwide (3.92 million units on a cumulative basis). Altogether the sales volume for Nintendo Switch hardware and software during this period came to 1.97 million units and 8.14 million units respectively.

For Nintendo 3DS, *Fire Emblem Echoes: Shadows of Valentia* was released in Japan in April and overseas in May and has been a popular title. Hardware sales were 0.95 million units (1% increase on a year-on-year basis) and software sales were 5.85 million units (31% decrease on a year-on-year basis).

As there were few new types of amiibo compared to the same period last year and few new titles offering amiibo functionality, amiibo sales were approximately 1.60 million units for figure-type and approximately 1.30 million units for card-type. In our digital business, sales of the digital versions of packaged software and downloadable content on Nintendo Switch showed steady growth, with total digital sales of 11.0 billion yen (41% increase on a year-on-year basis).

For smart devices, many consumers are continuing to enjoy *Super Mario Run* and *Fire Emblem Heroes*, which were released during the previous fiscal year. Our smart device and IP related income was 9.0 billion yen (450% increase on a year-on-year basis).

With this background, we had an operating profit of 16.2 billion yen and an ordinary profit of 30.9 billion yen against net sales of 154.0 billion yen (of which overseas sales were 113.8 billion yen or 73.9% of the total sales). The profit attributable to owners of parent for this quarter was 21.2 billion yen.

2. Consolidated Financial Forecast

For Nintendo Switch, we are planning worldwide releases for *Splatoon 2* in July and *Super Mario Odyssey* in October, and there are several big titles from other software publishers planned for this period.

For Nintendo 3DS, we are launching New Nintendo 2DS XL across the globe in June and July as a new addition to the hardware lineup. On the software front, we are releasing *Hey! Pikmin* worldwide in July, and we plan to release *Pokémon Ultra Sun* and *Pokémon Ultra Moon* in November. There are also strong third-party titles on the way for Nintendo 3DS.

In addition, Super Nintendo Entertainment System: Super NES Classic Edition is a compact recreation of Super Nintendo Entertainment System, which launched in 1990, and it features a collection of 21 titles selected from the rich library of Super NES games. We plan to launch this system globally in September and October.

In our smart device business, we will introduce new game applications while also focusing on continued operations for our released applications so that consumers can enjoy playing them for a long time.

There is no revision to the financial forecast for this period originally published on April 27, 2017.

3. Consolidated Balance Sheets

million yen

| Description | As of March 31, 2017 | As of June 30, 2017 |
|---|----------------------|---------------------|
| (Assets) | | |
| Current assets | | |
| Cash and deposits | 662,763 | 701,997 |
| Notes and accounts receivable-trade | 106,054 | 57,763 |
| Securities | 283,307 | 251,072 |
| Inventories | 39,129 | 63,240 |
| Other | 49,867 | 65,321 |
| Allowance for doubtful accounts | (379) | (367) |
| Total current assets | 1,140,742 | 1,139,028 |
| Non-current assets | | |
| Property, plant and equipment | 86,558 | 86,025 |
| Intangible assets | 12,825 | 12,854 |
| Investments and other assets | | |
| Investment securities | 157,963 | 175,268 |
| Other | 70,887 | 62,423 |
| Total investments and other assets | 228,851 | 237,692 |
| Total non-current assets | 328,235 | 336,572 |
| Total assets | 1,468,978 | 1,475,601 |
| (Liabilities) | | |
| Current liabilities | | |
| Notes and accounts payable-trade | 104,181 | 119,319 |
| Income taxes payable | 11,267 | 17,496 |
| Provision | 2,341 | 935 |
| Other | 66,319 | 71,702 |
| Total current liabilities | 184,109 | 209,454 |
| Non-current liabilities | | |
| Net defined benefit liability | 19,245 | 16,501 |
| Other | 14,650 | 14,986 |
| Total non-current liabilities | 33,895 | 31,488 |
| Total liabilities | 218,005 | 240,942 |
| (Net assets) | | |
| Shareholders' equity | | |
| Capital stock | 10,065 | 10,065 |
| Capital surplus | 13,256 | 13,256 |
| Retained earnings | 1,489,518 | 1,459,123 |
| Treasury shares | (250,601) | (252,435) |
| Total shareholders' equity | 1,262,239 | 1,230,010 |
| Accumulated other comprehensive income | | |
| Valuation difference on available-for-sale securities | 18,913 | 24,292 |
| Foreign currency translation adjustment | (30,312) | (22,560) |
| Total accumulated other comprehensive income | (11,399) | 1,732 |
| Non-controlling interests | 132 | 2,915 |
| Total net assets | 1,250,972 | 1,234,658 |
| Total liabilities and net assets | 1,468,978 | 1,475,601 |

4. Consolidated Statements of Income

million yen

| Description | Three months ended June 30, 2016 | Three months ended June 30, 2017 |
|---|----------------------------------|----------------------------------|
| Net sales | 61,969 | 154,069 |
| Cost of sales | 31,436 | 89,339 |
| Gross profit | 30,532 | 64,729 |
| Selling, general and administrative expenses | 35,667 | 48,520 |
| Operating profit (loss) | (5,134) | 16,208 |
| Non-operating income | | |
| Interest income | 1,123 | 1,973 |
| Foreign exchange gains | - | 7,139 |
| Share of profit of entities accounted for using equity method | 36 | 3,286 |
| Other | 709 | 2,704 |
| Total non-operating income | 1,869 | 15,105 |
| Non-operating expenses | | |
| Sales discounts | 3 | - |
| Loss on redemption of securities | 337 | 347 |
| Foreign exchange losses | 35,003 | - |
| Other | 64 | 5 |
| Total non-operating expenses | 35,409 | 353 |
| Ordinary profit (loss) | (38,674) | 30,960 |
| Extraordinary income | | |
| Gain on sales of non-current assets | 5 | 368 |
| Gain on sales of investment securities | - | 40 |
| Total extraordinary income | 5 | 409 |
| Extraordinary losses | | |
| Loss on disposal of non-current assets | 18 | 6 |
| Total extraordinary losses | 18 | 6 |
| Profit (loss) before income taxes | (38,688) | 31,363 |
| Total income taxes | (14,157) | 9,568 |
| Profit (loss) | (24,530) | 21,795 |
| Profit attributable to non-controlling interests | 4 | 534 |
| Profit (loss) attributable to owners of parent | (24,534) | 21,260 |

5. Consolidated Statements of Comprehensive Income

million yen

| Description | Three months ended June 30, 2016 | Three months ended June 30, 2017 |
|---|----------------------------------|----------------------------------|
| Profit (loss) | (24,530) | 21,795 |
| Other comprehensive income | | |
| Valuation difference on available-for-sale securities | 1,675 | 5,439 |
| Foreign currency translation adjustment | (29,891) | 8,334 |
| Share of other comprehensive income of entities accounted for using equity method | (15) | (584) |
| Total other comprehensive income | (28,231) | 13,189 |
| Comprehensive income | (52,761) | 34,984 |
| (Comprehensive income attributable to) | | |
| Comprehensive income attributable to owners of parent | (52,765) | 34,391 |
| Comprehensive income attributable to non-controlling interests | 4 | 592 |

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 three-month period ended June 30, 2017 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 |
|-------------------------------------|---|--------|--------------|--------|--------|---------|
| Three months ended June 30, 2017 | Dedicated video game platform (*1) | 35,754 | 61,771 | 34,238 | 12,850 | 144,615 |
| | of which Nintendo 3DS platform | 9,325 | 12,504 | 7,707 | 1,556 | 31,094 |
| | of which Nintendo Switch platform | 23,576 | 44,664 | 24,643 | 10,923 | 103,808 |
| | of which the others (*2) | 2,852 | 4,602 | 1,887 | 370 | 9,712 |
| | Smart devices, IP related income, etc. (*3) | 4,359 | 3,843 | 686 | 172 | 9,062 |
| | Playing cards, etc. | 155 | 228 | 7 | - | 391 |
| Total | | 40,269 | 65,844 | 34,932 | 13,023 | 154,069 |

| | | Japan | The Americas | Europe | Other | Total |
|-------------------------------------|---|--------|--------------|--------|-------|--------|
| Three months ended June 30, 2016 | Dedicated video game platform (*1) | 15,998 | 25,611 | 15,781 | 2,562 | 59,955 |
| | of which Nintendo 3DS platform | 10,123 | 13,207 | 9,799 | 1,789 | 34,919 |
| | of which Wii U platform | 4,276 | 9,464 | 4,664 | 488 | 18,893 |
| | of which Nintendo Switch platform | - | - | - | - | - |
| | of which the others (*4) | 1,599 | 2,939 | 1,318 | 284 | 6,142 |
| | Smart devices, IP related income, etc. (*3) | 1,001 | 585 | 50 | 11 | 1,649 |
| Playing cards, etc. | 149 | 209 | 5 | - | 364 | |
| Total | | 17,149 | 26,406 | 15,837 | 2,574 | 61,969 |

[Note] Download sales:

Three months ended June 30, 2016: 7.8 billion yen

Three months ended June 30, 2017: 11.0 billion yen

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

*2 Includes amiibo, Virtual Console and platforms other than Nintendo 3DS or Nintendo Switch.

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

*4 Includes amiibo, Virtual Console and platforms other than Nintendo 3DS, Wii U or Nintendo Switch.

(2) Other consolidated information

million yen

| | | Three months ended June 30, 2016 | Three months ended June 30, 2017 | Year ending March 31, 2018 (Forecast) |
|---|----------|-------------------------------------|-------------------------------------|--|
| Depreciation of property, plant and equipment | | 1,246 | 1,558 | 6,000 |
| Research and development expenses | | 13,474 | 15,857 | 65,000 |
| Advertising expenses | | 7,857 | 13,431 | 65,000 |
| Average exchange rates | 1 USD = | 108.14 yen | 111.09 yen | 105.00 yen |
| | 1 Euro = | 122.02 yen | 122.19 yen | 115.00 yen |

| | | | |
|--|-------------|-------------|---|
| Consolidated net sales in U.S. dollars | 0.2 billion | 0.5 billion | - |
| Consolidated net sales in Euros | 0.1 billion | 0.2 billion | - |
| Non-consolidated purchases in U.S. dollars | 0.1 billion | 0.8 billion | - |

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

million U.S. dollars/euros

| | | As of March 31, 2017 | | As of June 30, 2017 | | As of March 31, 2018 |
|------|-------------------------------|----------------------|---------------|---------------------|---------------|-------------------------|
| | | Balance | Exchange rate | Balance | Exchange rate | Estimated exchange rate |
| USD | Cash and deposits | 2,181 | | 2,227 | | |
| | Accounts receivable-trade | 500 | 1 USD= | 446 | 1 USD= | 1 USD= |
| | Accounts payable-trade | 531 | 112.19 yen | 654 | 112.00 yen | 105.00 yen |
| | Loans payable to subsidiaries | 300 | | 300 | | |
| Euro | Cash and deposits | 495 | 1 Euro= | 522 | 1 Euro= | 1 Euro= |
| | Accounts receivable-trade | 333 | 119.79 yen | 365 | 127.97 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. '16-Jun. '16 | Apr. '17-Jun. '17 | Jun. '17 | Apr. '17-Mar. '18 |
| Nintendo 3DS | Hardware | Japan | 31 | 23 | 2,354 | | |
| | | The Americas | 35 | 42 | 2,273 | | |
| | | Other | 28 | 30 | 2,080 | | |
| | | Total | 94 | 95 | 6,708 | 600 | |
| | of which New Nintendo 3DS XL | Japan | 27 | 20 | 450 | | |
| | | The Americas | 20 | 28 | 376 | | |
| | | Other | 12 | 13 | 268 | | |
| | of which Nintendo 2DS | Japan | - | 2 | 61 | | |
| | | The Americas | 15 | 13 | 312 | | |
| | | Other | 9 | 16 | 400 | | |
| | of which New Nintendo 2DS XL | Japan | - | - | - | | |
| | | The Americas | - | - | - | | |
| | | Other | - | 2 | 2 | | |
| Software | Japan | 209 | 183 | 12,526 | | | |
| | The Americas | 316 | 187 | 11,257 | | | |
| | Other | 322 | 215 | 9,727 | | | |
| | Total | 847 | 585 | 33,510 | 4,000 | | |
| New titles | Japan | 16 | 8 | 613 | | | |
| | The Americas | 10 | 7 | 456 | | | |
| | Other | 10 | 11 | 507 | | | |
| Nintendo Switch | Hardware | Japan | - | 52 | 112 | | |
| | | The Americas | - | 75 | 195 | | |
| | | Other | - | 69 | 163 | | |
| | | Total | - | 197 | 470 | 1,000 | |
| | Software | Japan | - | 156 | 245 | | |
| | | The Americas | - | 363 | 649 | | |
| | | Other | - | 295 | 466 | | |
| | | Total | - | 814 | 1,360 | 3,500 | |
| | New titles | Japan | - | 6 | 15 | | |
| | | The Americas | - | 7 | 17 | | |
| Other | | - | 6 | 15 | | | |

[Notes]

- 1 Software sales units include both packaged and downloadable versions of software.
- 2 Each title available in both packaged and downloadable versions is counted as one new title.
- 3 Actual software sales units for each platform include the quantity bundled with hardware.
- 4 Forecasted software sales units for each platform do not include the quantity bundled with hardware.