



# Financial Results Explanatory Material

## 2nd Quarter of Fiscal Year Ending March 2025

Nintendo Co., Ltd.  
November 5, 2024

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# 1. Consolidated Financial Results and Outlook

## Consolidated Financial Highlights

	FY24/Q1-Q2	FY25/Q1-Q2	Comparison
Net sales	796.2 bn yen	<b>523.2 bn yen</b>	-34.3 %
Operating profit	279.9 bn yen	<b>121.5 bn yen</b>	-56.6 %
Operating profit ratio	35.2 %	<b>23.2%</b> %	-12.0 pt.
Ordinary profit	380.0 bn yen	<b>147.1 bn yen</b>	-61.3 %
Net profit	271.2 bn yen	<b>108.6 bn yen</b>	-59.9 %
Net profit ratio	34.1 %	<b>20.8%</b> %	-13.3 pt.

- Net profit: Profit attributable to owners of parent
- FY = Fiscal Year
- FY25/Q1-Q2 indicates the period between April 1, 2024 and September 30, 2024.

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- For the first half of the fiscal year, net sales decreased by 34.3% year-on-year to 523.2 billion yen, operating profit decreased by 56.6% to 121.5 billion yen, ordinary profit decreased by 61.3% to 147.1 billion yen, and profit attributable to owners of parent decreased by 59.9% to 108.6 billion yen.

## Consolidated Sales

	FY24/Q1-Q2	FY25/Q1-Q2	Comparison
Net sales	796.2 bn yen	<b>523.2 bn yen</b>	-34.3 %
Dedicated video game platform*1	736.7 bn yen	<b>485.2 bn yen</b>	-34.1 %
Mobile, IP related income, etc.*2	55.0 bn yen	<b>31.2 bn yen</b>	-43.3 %
Others*3	4.4 bn yen	<b>6.8 bn yen</b>	+53.9 %

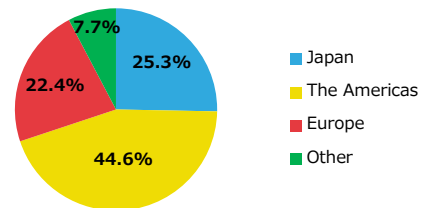
\*1 Includes hardware, software (including downloadable versions of packaged software, download-only software, add-on content, and Nintendo Switch Online) and accessories.

\*2 Includes income from visual content, smart-device content and royalties.

\*3 Includes merchandise sales at official stores such as Nintendo TOKYO as well as playing cards.

Effect of changes in foreign exchange rates on net sales: +29.9 billion yen

**FY25/Q1-Q2 Regional Sales Ratio**



Proportion of sales outside Japan: 74.7%

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- Sales from our dedicated video game platform business decreased 34.1% year-on-year to 485.2 billion yen. Despite the continued weakness of the yen, sales decreased year-on-year due to factors such as a decline in unit sales for both Nintendo Switch hardware and software.
- In the mobile and IP related business, sales decreased by 43.3% year-on-year to 31.2 billion yen, mainly due to the decrease in income from visual content related to *The Super Mario Bros. Movie*.

## Gross Profit

	FY24/Q1-Q2	FY25/Q1-Q2	Comparison
Gross profit	472.0 bn yen	<b>317.9 bn yen</b>	-32.6 %
Gross profit ratio	59.3 %	<b>60.8 %</b>	+1.5 pt.
Main Variable Factors			
	FY24/Q1-Q2	FY25/Q1-Q2	Comparison
Proportion of hardware sales*1	41.1 %	<b>41.4 %</b>	+0.3 pt.
Proportion of first-party software sales*2	82.4 %	<b>69.5 %</b>	-12.9 pt.
Proportion of digital sales*2	50.2 %	<b>56.3 %</b>	+6.1 pt.
Average exchange rate	1 USD 1 Euro	140.96 yen 153.40 yen	<b>152.49 yen</b> <b>165.80 yen</b>
			+11.53 yen +12.40 yen

\*1 Proportion of sales to total dedicated video game platform sales

\*2 Proportion of sales to total dedicated video game platform software sales

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- With the decrease in net sales, gross profit declined 32.6% year-on-year to 317.9 billion yen.
- Although there was a proportional decrease in first-party software sales, the gross profit margin increased by 1.5 percentage points year-on-year to 60.8%. This is due to factors such as a proportional increase in digital sales relative to overall sales and a decrease in the proportion of hardware unit sales of Nintendo Switch – OLED Model, which has a lower profit margin than the other models in the Nintendo Switch family.

## Selling, General and Administrative Expenses / Operating Profit

	FY24/Q1-Q2	FY25/Q1-Q2	Comparison
SG&A expenses	192.1 bn yen	<b>196.4 bn yen</b>	+2.2 %
SG&A expenses-to-sales ratio	24.1 %	<b>37.5 %</b>	+13.4 pt.
Operating profit	279.9 bn yen	<b>121.5 bn yen</b>	-56.6 %
Operating profit ratio	35.2 %	<b>23.2 %</b>	-12.0 pt.

• SG&A expenses: Selling, general and administrative expenses

Effect of changes in foreign exchange rates on operating profit: approx. +5.3 billion yen

	FY24/Q1-Q2	FY25/Q1-Q2	Comparison
Research and development expenses	59.4 bn yen	<b>68.6 bn yen</b>	+15.5 %
Advertising expenses	44.3 bn yen	<b>35.9 bn yen</b>	-18.9 %

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- Selling, general, and administrative expenses (SG&A expenses) rose by 2.2% year-on-year to 196.4 billion yen, mainly due to a rise in research and development expenses and an increase in foreign currency-denominated expenses upon conversion to yen, caused by the depreciation of the yen. The ratio of SG&A expenses to sales increased by 13.4 percentage points to 37.5% due to the year-on-year decline in net sales.
- Operating profit decreased by 56.6% year-on-year to 121.5 billion yen, due to a decrease in gross profit and rise in SG&A expenses. The operating profit margin fell 12.0 percentage points to 23.2%.

## Ordinary Profit and Net Profit

	FY24/Q1-Q2	FY25/Q1-Q2	Comparison
Non-operating income	100.4 bn yen	<b>48.3 bn yen</b>	-51.8 %
included foreign exchange gains	57.7 bn yen	- bn yen	-
Non-operating expenses	0.3 bn yen	<b>22.7 bn yen</b>	+7,278.6 %
included foreign exchange losses	- bn yen	<b>22.4 bn yen</b>	-
Ordinary profit	380.0 bn yen	<b>147.1 bn yen</b>	-61.3 %
Net profit	271.2 bn yen	<b>108.6 bn yen</b>	-59.9 %
Net profit ratio	34.1 %	<b>20.8 %</b>	-13.3 pt.

Exchange rate	FY24 (3/31/2024)	FY25/Q2 (9/30/2024)	Comparison	Dividend	FY24	FY25	Comparison
1 USD	151.34 yen	<b>142.85 yen</b>	-8.49 yen	Interim	80 yen	<b>35 Yen</b>	-45 yen
1 Euro	163.31 yen	<b>159.43 yen</b>	-3.88 yen				

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- While there was an increase in interest income, ordinary profit decreased 61.3% year-on-year to 147.1 billion yen, pushed down mainly by the decrease in operating profit and incurred foreign exchange losses.
- With this decrease in ordinary profit, profit attributable to owners of parent decreased by 59.9% year-on-year to 108.6 billion yen.

## Consolidated Financial Forecast

	Previous Forecast	Modified Forecast	Comparison
Net sales	1,350.0 bn yen	<b>1,280.0 bn yen</b>	-5.2 %
Operating profit	400.0 bn yen	<b>360.0 bn yen</b>	-10.0 %
Ordinary profit	420.0 bn yen	<b>420.0 bn yen</b>	-
Net profit	300.0 bn yen	<b>300.0 bn yen</b>	-

• Assumed exchange rate For FY25: remains unchanged at 1USD = 140 yen, 1 Euro = 155 yen

	Previous Forecast	Modified Forecast	Comparison
Dividend			
Annual	129 yen	<b>129 yen</b>	- yen

	Previous Forecast	Modified Forecast	Comparison
Nintendo Switch			
Hardware	13.50 mil units	<b>12.50 mil units</b>	-7.4 %
Software	165.00 mil units	<b>160.00 mil units</b>	-3.0 %

• The modified FY25 software sales unit forecast includes software bundled with other products during the six months ended September 30, 2024 (approx. 0.73 million units) but does not include software to be bundled with other products October 1, 2024 onwards.

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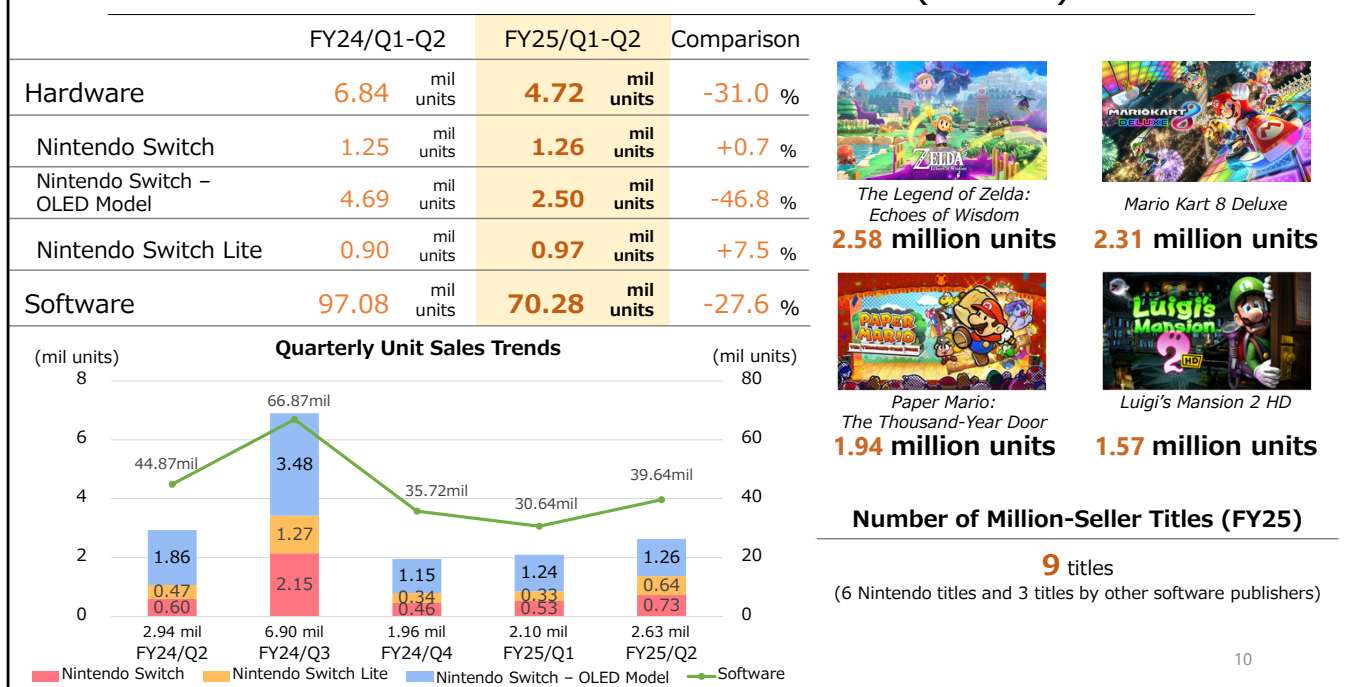
- We have modified the financial forecast for the fiscal year ending March 2025, originally published on May 7, 2024.
- Considering the sales trend through the six months ended September 30, 2024, our revised outlook is 1,280.0 billion yen in net sales and 360.0 billion yen in operating profit.
- As a result of changes in our prospect for non-operating profit and loss for the fiscal year, the forecast for ordinary profit and net profit remain unchanged at 420.0 billion yen and 300.0 billion yen, respectively. Therefore, the forecasted annual dividend also remains unchanged at 129 yen per share.
- The assumed exchange rates for the end of the fiscal year also remain unchanged at 140 yen per U.S. dollar and 155 yen per euro.
- We have modified the unit sales forecast for the fiscal year, decreasing Nintendo Switch hardware by 1.00 million to 12.50 million units and software by 5.00 million to 160.00 million units in comparison to the initial forecast.

**Note:** Appropriate Use of Earnings Forecasts: Forecasts 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.



## 2. Business Highlights

## Sales Status of Nintendo Switch (Sell-In)



- Unit sales for the entire Nintendo Switch family of systems decreased 31.0% year-on-year to 4.72 million units. Unit sales of software decreased 27.6% year-on-year to 70.28 million units.
- Unit sales of both hardware and software were extremely high for the first half of the previous fiscal year, when *The Super Mario Bros. Movie* energized our dedicated video game platform business and *The Legend of Zelda: Tears of the Kingdom* was released, together with specially designed hardware based on that title. There were no such special factors in the first half of this fiscal year, and with Nintendo Switch now in its eighth year since launch, unit sales of both hardware and software decreased significantly year-on-year.
- Due to factors such as the launch of Nintendo Switch Lite: Hyrule Edition in September as well as releases of hardware bundled with software titles, unit sales for the Nintendo Switch family of systems in during the second quarter was higher than that of the first quarter.
- Sales grew steadily for new titles such as *Paper Mario: The Thousand-Year Door*, *Luigi's Mansion 2 HD*, and *The Legend of Zelda: Echoes of Wisdom* that were released this fiscal year. Sales were also steady for evergreen titles released in previous fiscal years and for titles released by other software publishers. As a result, the number of million-seller titles this fiscal year reached nine titles.

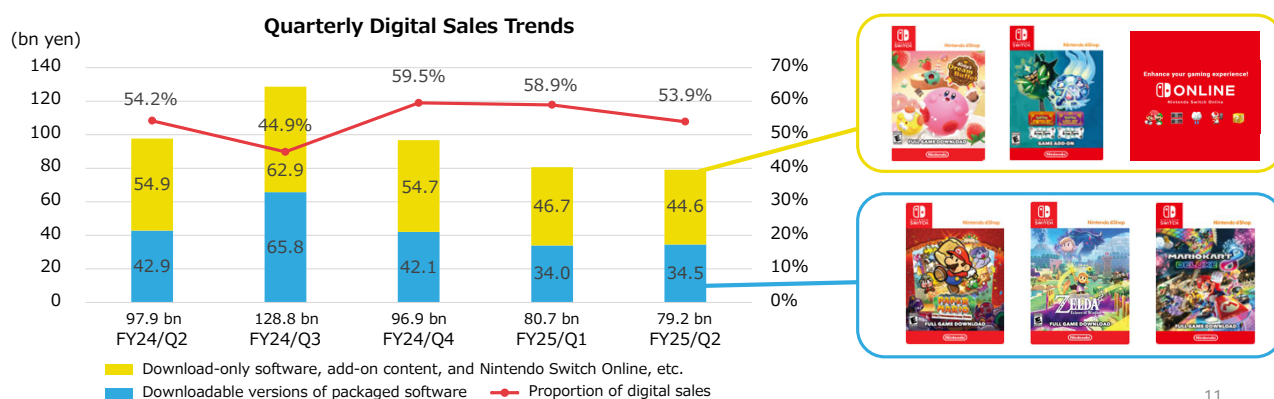
**Note:** *Sell-in* refers to sales by the Nintendo group to outside entities. In addition to units sold to corporate business partners, this number also includes units sold to individual consumers through Nintendo's direct-sales sites or as downloadable software.

## Digital Sales

	FY24/Q1-Q2	FY25/Q1-Q2	Comparison
Digital sales*1	217.5 bn yen	<b>159.9 bn yen</b>	-26.5 %
Proportion of digital sales*2	50.2 %	<b>56.3 %</b>	+6.1 pt.

\*1 Sales of downloadable versions of packaged software, download-only software, add-on content and Nintendo Switch Online, etc.

\*2 Proportion to total dedicated video game platform software sales



- Digital sales for the first half of the fiscal year decreased by 26.5% year-on-year to 159.9 billion yen, but as a proportion of total software sales for our dedicated video game platform, digital sales increased 6.1 percentage points to 56.3%.
- Digital sales declined year-on-year mainly due to a decrease in sales of downloadable versions of package software and add-on content for Nintendo Switch.
- While there was a decrease in total software sales, a simultaneous increase in sales of download-only software as well as stable sales related to Nintendo Switch Online caused the proportion of digital sales to increase year-on-year.

**Note:** When calculating digital sales, sales of Nintendo software are recognized as gross sales, while sales of software released by other software publishers are recognized as net sales. For software released by other publishers, the sales commissions that Nintendo receives based on contracts with the software publishers or other parties are recognized as revenue.

### 3. Reference Materials

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[Disclaimers]

The contents of these materials are based upon the information available and the judgments which can be made at the time of the announcement. Nintendo is not responsible for updating or changing these materials if the information presented changes due to future circumstances or for other reasons.

Also, forecasts referred to in these materials involve known and unknown risks and uncertainties. Please note that such risks and uncertainties may cause actual results to be materially different from the forecasts.

## Sales Breakdown (by Region)

million yen

FY25/Q1-Q2	Japan	The Americas	Europe	Other	Total
Dedicated video game platform	115,735	214,769	114,512	40,199	485,217
of which Nintendo Switch platform <sup>(*1)</sup>	106,658	210,848	113,263	39,446	470,216
of which the others <sup>(*2)</sup>	9,077	3,921	1,248	753	15,000
Mobile, IP related income, etc. <sup>(*3)</sup>	10,843	17,607	2,176	590	31,217
Other <sup>(*4)</sup>	5,636	966	360	-99	6,864
<b>Total</b>	<b>132,215</b>	<b>233,344</b>	<b>117,048</b>	<b>40,690</b>	<b>523,299</b>

FY24/Q1-Q2	Japan	The Americas	Europe	Other	Total
Dedicated video game platform	158,726	307,278	177,925	92,837	736,767
of which Nintendo Switch platform <sup>(*1)</sup>	151,410	304,752	175,807	91,399	723,369
of which the others <sup>(*2)</sup>	7,316	2,526	2,117	1,438	13,398
Mobile, IP related income, etc. <sup>(*3)</sup>	10,537	39,769	3,764	939	55,010
Other <sup>(*4)</sup>	3,273	1,063	-	122	4,459
<b>Total</b>	<b>172,537</b>	<b>348,111</b>	<b>181,689</b>	<b>93,899</b>	<b>796,237</b>

\*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 merchandise sales at official stores such as Nintendo TOKYO as well as playing cards.

## Supplementary Information

million yen

	FY24/Q1-Q2	FY25/Q1-Q2	FY25 (Forecast)
Depreciation of property, plant and equipment	3,401	4,235	9,000
Research and development expenses	59,433	68,659	135,000
Advertising expenses	44,336	35,940	85,000
Average exchange rate			
1 USD =	140.96 yen	152.49 yen	146.24 yen
1 Euro =	153.40 yen	165.80 yen	160.39 yen
Consolidated net sales in U.S. dollars	2.3 billion	1.4 billion	-
Consolidated net sales in Euros	1.1 billion	0.6 billion	-
Non-consolidated purchases in U.S. dollars	2.1 billion	1.8 billion	-

## Balance of Major Assets and Liabilities in Foreign Currencies held by Nintendo Co., Ltd. (Japan)

million U.S. dollars/Euros

	March 31, 2024		September 30, 2024		March 31, 2025 (Forecast)
	Balance	Exchange rate	Balance	Exchange Rate	Assumed Exchange Rate
USD					
Cash and deposits	2,307	1 USD=	2,202	1 USD=	1 USD=
Accounts receivable-trade	391	151.34 yen	636	142.85 yen	140.00 yen
Accounts payable-trade	208		657		
Euro					
Cash and deposits	201	1 Euro=	152	1 Euro=	1 Euro=
Accounts receivable-trade	171	163.31 yen	486	159.43 yen	155.00 yen

## Digital Sales

Digital Sales				Proportion of Digital Sales				Proportion of Downloadable Versions of Packaged Software Sales			
billion yen											
FY25				FY25				FY25			
Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
80.7	79.2			58.9%	53.9%			42.2%	43.6%		
159.9				56.3%				42.9%			
FY24				FY24				FY24			
Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
119.6	97.9	128.8	96.9	47.3%	54.2%	44.9%	59.5%	64.5%	43.8%	51.1%	43.5%
217.5				50.2%				55.2%			
346.4				48.1%				53.7%			
443.3				50.2%				51.5%			

- [Notes]
- Digital Sales: Includes (a) downloadable version of packaged software (the downloadable version of software that is offered both physically and digitally), (b) download-only software, (c) add-on content and (d) Nintendo Switch Online, etc.
  - Proportion of Digital Sales: Proportion of digital sales to total dedicated video game platform software sales
  - Proportion of Downloadable Versions of Packaged Software Sales: Proportion of downloadable versions of packaged software sales to total digital sales [= a/(a+b+c+d)]

## Key Indicators

Proportion of Sales Outside of Japan				Proportion of Hardware Sales				Proportion of First-Party Software Sales			
FY25				FY25				FY25			
Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
74.2%	75.2%			40.2%	42.6%			73.2%	66.3%		
74.7%				41.4%				69.5%			
FY24				FY24				FY24			
Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
80.0%	76.0%	79.2%	76.4%	40.9%	41.5%	50.0%	36.6%	88.8%	72.1%	82.6%	74.9%
78.3%				41.1%				82.4%			
78.7%				45.0%				82.5%			
78.3%				43.6%				81.2%			

- [Notes]
- Proportion of Sales Outside of Japan: Proportion of sales outside of Japan to total sales
  - Proportion of Hardware Sales: Proportion of hardware (including accessories) sales to total dedicated video game platform sales
  - Proportion of First-Party Software Sales: Proportion of first-party software sales to total dedicated video game platform software sales

## Sales Units and Sales Units Forecast

units in ten thousands

		FY24/Q1-Q2	FY25/Q1-Q2	Life-to-date	Forecast FY25
Nintendo Switch Hardware (Total)	Japan	218	162	3,562	
	The Americas	203	159	5,611	
	Europe	157	103	3,752	
	Other	106	49	1,679	
	Total	684	472	14,604	1,250
of which Nintendo Switch	Japan	29	26	2,060	
	The Americas	37	54	3,699	
	Europe	41	41	2,596	
	Other	18	5	1,116	
	Total	125	126	9,470	
of which Nintendo Switch - OLED Model	Japan	159	102	852	
	The Americas	129	72	818	
	Europe	102	38	607	
	Other	79	39	407	
	Total	469	250	2,683	
of which Nintendo Switch Lite	Japan	30	34	651	
	The Americas	38	33	1,094	
	Europe	14	24	549	
	Other	9	6	157	
	Total	90	97	2,451	
Software	Japan	1,737	1,552	25,545	
	The Americas	4,212	2,927	56,945	
	Europe	2,697	2,045	37,876	
	Other	1,062	504	10,243	
	Total	9,708	7,028	130,610	16,000

- [Notes]
- Software sales units include both packaged and downloadable versions of software, and do not include download-only software or add-on content.
  - Actual software sales units include the quantity bundled with hardware or other products.
  - Forecasted software sales units includes software bundled with other products during the six months ended September 30, 2024 but does not included softwre to be bundled with other products October 1, 2024 onwards.

## Million-Seller Nintendo First-Party Titles

units in ten thousands

Nintendo Switch	FY25/Q1-Q2			Life-to-date
	Global	Japan	Outside of Japan	Global
The Legend of Zelda: Echoes of Wisdom	258	48	210	258
Mario Kart 8 Deluxe	231	35	195	6,427
Paper Mario: The Thousand-Year Door	194	43	151	194
Luigi's Mansion 2 HD	157	31	127	157
Nintendo Switch Sports	126	27	98	1,437
Animal Crossing: New Horizons	109	33	76	4,645

[Notes] · Software sales units include those bundled with hardware or other products and downloadable versions of packaged software.

## Launch Dates of Primary Nintendo Products by Region (April through September 2024)

Nintendo Switch	Release Date
Endless Ocean Luminous	5/2/2024
Paper Mario: The Thousand-Year Door	5/23/2024
Luigi's Mansion 2 HD	6/27/2024
Nintendo World Championships: NES Edition	7/18/2024
Emio – The Smiling Man: Famicom Detective Club	8/29/2024
The Legend of Zelda: Echoes of Wisdom	9/26/2024

[Note] · Release dates may differ by region. Please refer to the official site of each region for further details.

## Launch Schedule of Primary Nintendo Products by Region (extracts: October 2024 onwards)

Nintendo Switch	Release Date
Super Mario Party Jamboree	10/17/2024
Mario & Luigi: Brotherhood	11/7/2024
Fitness Boxing 3: Your Personal Trainer *	12/5/2024
Donkey Kong Country Returns HD	1/16/2025
Xenoblade Chronicles X: Definitive Edition	3/20/2025
Pokémon Legends: Z-A	2025
Metroid Prime 4: Beyond	2025

Other	Release Date
Nintendo Sound Clock: Alarmo	10/9/2024

[Notes] · Launch dates and titles etc. are subject to change.

· Release dates may differ by region. Please refer to the official site of each region for further details.

\*This title is licensed to be released and sold as a Nintendo product in select regions outside of Japan.



## Supplementary Information on Our Website

### [Earnings Releases, etc.](#)

- Earning Releases
- Timely Disclosure of Information, etc.

### [Financial Results Announcement/IR Events](#)

- Corporate Management Policy Briefing Presentation Materials
- Financial Results Explanatory Materials, etc.

### [Financial Highlights](#)

- Consolidated Statements of Income (Annual/ Quarterly)
- Consolidated Balance Sheet (Annual/ Quarterly)
- Consolidated Cash Flows (Annual)
- Key Figures per Share (Annual)
- Geographical Sales Breakdown (Annual/ Quarterly)
- Sales Breakdown by Category (Annual/ Quarterly)

### [Dedicated Video Game Sales Units](#)

- Total Unit Sales (Life-to-date)
- Unit Sales (Annual/ Quarterly)
- Number of Titles Released (Annual)

### [Top Selling Title Sales Units](#)

- Top selling Nintendo software sales units on an accumulated basis

### [Historical Data \(Updated at fiscal year-end\)](#)

- Consolidated Statements of Income Transition
- Consolidated Sales Transition by Region
- Number of Software Titles Released

Upcoming Software Title Lineup ( [Japan](#) / [United States](#) / [Europe](#) )

- Upcoming Software Publishers' Title Lineup

[Notes] • Corresponding pages on our website can be accessed by clicking on the titles above.  
• Financial Highlights will be updated within 2 business days of our financial announcement.