



July 29, 2015

# CONSOLIDATED FINANCIAL HIGHLIGHTS



Nintendo Co., Ltd.  
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Japan

## Consolidated Results for the Three Months Ended June 2014 and 2015

(1) Consolidated operating results

(Amounts below one million yen are rounded down)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent	
	million yen	%	million yen	%	million yen	%	million yen	%
Three months ended June 30, 2015	90,223	20.8	1,149	-	14,286	-	8,284	-
Three months ended June 30, 2014	74,695	(8.4)	(9,470)	-	(9,964)	-	(9,924)	-

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

	Net income per share
	yen
Three months ended June 30, 2015	68.97
Three months ended June 30, 2014	(83.84)

(2) Consolidated financial positions

	Total assets	Net assets	Capital adequacy ratio
	million yen	million yen	%
As of June 30, 2015	1,361,881	1,197,801	87.9
As of March 31, 2015	1,352,944	1,167,556	86.3

## 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, 2015	-	0.00	-	180.00	180.00
Year ending March 31, 2016 (forecast)	-	- *	-	- *	150.00

[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, 2016, 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, 2016

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent		Net income per share	
	million yen	%	million yen	%	million yen	%	million yen	%	yen	
Year ending March 31, 2016	570,000	3.7	50,000	101.9	55,000	(22.0)	35,000	(16.4)	291.35	

[Note]

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

**Others**

(1) Changes for important subsidiaries during the three-month period ended June 30, 2015	: Not applicable
(2) Application of peculiar methods for accounting procedures	: Applicable
(3) Changes in accounting procedures:	
1) Related to accounting standard revisions etc.	: 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, 2015 :	141,669,000 shares
As of March 31, 2015 :	141,669,000 shares
② Number of treasury shares	
As of June 30, 2015 :	21,537,951 shares
As of March 31, 2015 :	23,297,005 shares
③ Average number of shares	
Three months ended	
June 30, 2015 :	120,111,875 shares
Three months ended	
June 30, 2014 :	118,374,094 shares

## [Notes]

1. This earnings release report is not subject to audit procedures based on the Financial Instruments and Exchange Act. At the time of disclosure of this report, the audit procedures for the financial statements are in progress.
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 three months ended June 30, 2015, for Nintendo 3DS, New Nintendo 3DS and New Nintendo 3DS XL, which were launched during the previous fiscal year as the newest members of the Nintendo 3DS family, continue to expand their sales, and the global sales of the Nintendo 3DS hardware reached 1.01 million units. As for the Nintendo 3DS software, *Fire Emblem Fates: Birthright/Fire Emblem Fates: Conquest*, which were released in June for Japan, got off to a good start, while titles such as *GIRLS MODE 3 Kirakira ☆Kode* (translation of Japanese title) and *Rhythm Tengoku (temp.)* gained popularity among female consumers in Japan. In the overseas markets, with the contribution from the release of *Puzzle & Dragons Z + Puzzle & Dragons Super Mario Bros. Edition*, which is the overseas version of popular games in Japan, the global sales of the Nintendo 3DS software reached 7.92 million units.

With respect to Wii U, *Splatoon*, which was released globally in May and gathered attention, marked 1.62 million units in sales and contributed to vitalizing the Wii U platform. The worldwide sales of the Wii U hardware and software were 0.47 million and 4.55 million units respectively.

In addition to the above, because of factors such as favorable sales of amiibo continuing, net sales were 90.2 billion yen (of which overseas sales were 65.0 billion yen or 72.1% of the total sales), and operating income was 1.1 billion yen. As a result of foreign exchange gains totaling 10.8 billion yen due to depreciation of the yen at the end of the period compared to the exchange rate at the end of the previous fiscal year, ordinary income was 14.2 billion yen and profit attributable to owners of parent was 8.2 billion yen.

## 2. Consolidated Financial Forecast

For Nintendo 3DS, *Animal Crossing: Happy Home Designer* will be released in July for Japan, in September for the United States, and in October for Europe, while *Pokémon Super Mystery Dungeon* will be released in September for Japan, by the end of this calendar year for the United States, and in early 2016 for Europe. *Chibi-Robo! Zip Lash* will be released globally by this fall and *The Legend of Zelda: Tri Force Heroes* will be released globally by the end of this calendar year. Furthermore, a number of key titles from third-party publishers are scheduled for release. With such activities, we aim to further expand the Nintendo 3DS business.

For Wii U, by maintaining the attention level of *Splatoon*, which enjoyed a good start, we will strive to further enhance the sales toward the year-end sales season. *Yoshi's Woolly World* (released in June for Europe) will be released in July for Japan and in October for the United States. *Super Mario Maker* will be released in September globally and titles such as *Star Fox Zero* and *Mario Tennis: Ultra Smash* will be released sequentially. We also aim to maintain the performance of already-released titles with strong sales potential by introducing additional download content.

Meanwhile, for amiibo, we will continue to expand the product lineup. At the same time, we aim to stimulate demand for amiibo from owners of the original Nintendo 3DS hardware systems by releasing the Nintendo 3DS NFC Reader/Writer accessory (for Nintendo 3DS, Nintendo 3DS XL and Nintendo 2DS), which will be launched simultaneously with *Animal Crossing: Happy Home Designer*. In addition, we expect to secure a new source of revenue from a gaming application for smart devices, which will be released by the end of this calendar year.

As a result, there is no revision to the consolidated financial forecast for this fiscal year, announced on May 7, 2015.

## 3. Other Information

Application of peculiar methods for accounting procedures

With respect to certain consolidated subsidiaries, corporate income tax amount is calculated by taking the amount of income before income taxes through the three-month period ended June 30, 2015 multiplied by reasonably estimated annual effective tax rate with the effects of deferred taxes reflected.

Changes in accounting procedures related to accounting standard revisions etc.

Effective beginning the three-month period ended June 30, 2015, Nintendo has adopted the "Revised Accounting Standard for Business Combinations (ASBJ Statement No.21 of September 13, 2013; hereafter the "Business Combinations Accounting Standard")," the "Revised Accounting Standard for Consolidated Financial Statements (ASBJ Statement No.22 of September 13, 2013; hereafter the "Consolidation Accounting Standard")," the "Revised Accounting Standard for Business Divestitures (ASBJ Statement No.7 of September 13, 2013; hereafter the "Business Divestitures Accounting Standard)" and other standards. Accordingly, the accounting method was changed to record the difference arising from changes in equity in subsidiaries which Nintendo continues to control as capital surplus, and business acquisition costs as expenses for the fiscal year in which they occurred. Regarding business combinations implemented on or after April 1, 2015, the accounting method was changed to reflect adjustments to the allocation of acquisition cost under provisional accounting treatment on the consolidated financial statements of the quarterly financial period in which the relevant business combinations became or will become effective. In addition, the changes in the presentation of net income and the changes in the presentation from minority interests to non-controlling interests have been implemented. In connection with the changes in the presentation of the consolidated financial statements, reclassifications have been made on the consolidated financial statements of the three-month period ended June 30, 2014, and of the fiscal year ended March 31, 2015.

The Business Combinations Accounting Standard and other standards were applied in accordance with the transitional treatments stated in Article 58-2 (4) of the Business Combinations Accounting Standard, Article 44-5 (4) of the Consolidation Accounting Standard and Article 57-4 (4) of the Business Divestitures Accounting Standard from the beginning of the three-month period ended June 30, 2015.

There is no impact to the consolidated financial statements of the three-month period ended June 30, 2015.

## 4. Consolidated Balance Sheets

million yen

Description	As of March 31, 2015	As of June 30, 2015
<b>(Assets)</b>		
<b>Current assets</b>		
Cash and deposits	534,706	535,222
Notes and accounts receivable-trade	55,794	47,042
Securities	380,587	347,586
Inventories	76,897	77,101
Other	50,063	41,779
Allowance for doubtful accounts	(451)	(466)
<b>Total current assets</b>	<b>1,097,597</b>	<b>1,048,266</b>
<b>Non-current assets</b>		
Property, plant and equipment	91,488	90,935
Intangible assets	12,430	12,275
Investments and other assets		
Investment securities	96,294	158,629
Other	55,132	51,774
Total investments and other assets	151,426	210,403
<b>Total non-current assets</b>	<b>255,346</b>	<b>313,614</b>
<b>Total assets</b>	<b>1,352,944</b>	<b>1,361,881</b>
<b>(Liabilities)</b>		
<b>Current liabilities</b>		
Notes and accounts payable-trade	58,464	49,565
Income taxes payable	16,529	1,764
Provision	2,220	803
Other	67,018	70,510
<b>Total current liabilities</b>	<b>144,232</b>	<b>122,644</b>
<b>Non-current liabilities</b>		
Net defined benefit liability	25,416	25,113
Other	15,739	16,322
<b>Total non-current liabilities</b>	<b>41,155</b>	<b>41,436</b>
<b>Total liabilities</b>	<b>185,387</b>	<b>164,080</b>
<b>(Net assets)</b>		
<b>Shareholders' equity</b>		
Capital stock	10,065	10,065
Capital surplus	11,734	13,256
Retained earnings	1,409,764	1,396,742
Treasury shares	(270,986)	(250,527)
<b>Total shareholders' equity</b>	<b>1,160,578</b>	<b>1,169,536</b>
<b>Accumulated other comprehensive income</b>		
Valuation difference on available-for-sale securities	16,671	27,836
Foreign currency translation adjustment	(9,804)	319
<b>Total accumulated other comprehensive income</b>	<b>6,866</b>	<b>28,156</b>
<b>Non-controlling interests</b>	<b>110</b>	<b>108</b>
<b>Total net assets</b>	<b>1,167,556</b>	<b>1,197,801</b>
<b>Total liabilities and net assets</b>	<b>1,352,944</b>	<b>1,361,881</b>

## 5. Consolidated Statements of Income

million yen

Description	Three months ended June 30, 2014	Three months ended June 30, 2015
Net sales	74,695	90,223
Cost of sales	42,169	47,537
<b>Gross profit</b>	<b>32,526</b>	<b>42,685</b>
Selling, general and administrative expenses	41,996	41,536
<b>Operating income (loss)</b>	<b>(9,470)</b>	<b>1,149</b>
Non-operating income		
Interest income	972	1,026
Foreign exchange gains	-	10,818
Other	3,925	1,329
Total non-operating income	4,897	13,173
Non-operating expenses		
Sales discounts	28	18
Loss on sales of investment securities	0	9
Foreign exchange losses	5,045	-
Other	318	8
Total non-operating expenses	5,392	35
<b>Ordinary income (loss)</b>	<b>(9,964)</b>	<b>14,286</b>
Extraordinary income		
Gain on sales of non-current assets	5	3
Total extraordinary income	5	3
Extraordinary losses		
Loss on disposal of non-current assets	4	5
Restructuring loss	1,421	-
Total extraordinary losses	1,426	5
<b>Income (loss) before income taxes</b>	<b>(11,385)</b>	<b>14,285</b>
Total income taxes	(1,467)	6,003
<b>Profit (loss)</b>	<b>(9,918)</b>	<b>8,281</b>
Profit (loss) attributable to non-controlling interests	5	(2)
<b>Profit (loss) attributable to owners of parent</b>	<b>(9,924)</b>	<b>8,284</b>

## 6. Consolidated Statements of Comprehensive Income

million yen

Description	Three months ended June 30, 2014	Three months ended June 30, 2015
<b>Profit (loss)</b>	<b>(9,918)</b>	<b>8,281</b>
Other comprehensive income		
Valuation difference on available-for-sale securities	(2,690)	11,160
Foreign currency translation adjustment	(5,376)	10,123
Share of other comprehensive income of entities accounted for using equity method	(3)	4
Total other comprehensive income	(8,070)	21,289
<b>Comprehensive income</b>	<b>(17,989)</b>	<b>29,571</b>
(Comprehensive income attributable to)		
Comprehensive income attributable to owners of parent	(17,994)	29,573
Comprehensive income attributable to non-controlling interests	5	(2)

## 7. Others

### (1) Consolidated sales information

million yen

Category		Three months ended June 30, 2014	Three months ended June 30, 2015
Electronic entertainment products	Hardware	34,497	44,556
	Software	39,804	45,372
	Total electronic entertainment products	74,301	89,928
Other	Playing cards, Karuta, etc.	394	294
Total		74,695	90,223

[Note] Download sales

Three months ended June 30, 2014: 5.0 billion yen

Three months ended June 30, 2015: 12.0 billion yen

### (2) Geographical sales breakdown

million yen

		Japan	The Americas	Europe	Other	Total
Three months ended June 30, 2015	Net sales	25,209	39,259	21,596	4,157	90,223
	Component ratio	27.9%	43.5%	23.9%	4.7%	100.0%
Three months ended June 30, 2014	Net sales	16,688	31,383	23,127	3,496	74,695
	Component ratio	22.3%	42.0%	31.0%	4.7%	100.0%

### (3) Other consolidated information

million yen

		Three months ended June 30, 2014	Three months ended June 30, 2015	Year ending March 31, 2016 (Forecast)
Depreciation of property, plant and equipment		1,229	1,659	6,000
Research and development expenses		15,450	13,878	65,000
Advertising expenses		11,874	11,022	57,000
Average exchange rates	1 USD =	102.16 yen	121.36 yen	120.00 yen
	1 Euro =	140.07 yen	134.16 yen	125.00 yen

Consolidated net sales in U.S. dollars	0.2 billion	0.2 billion	-
Consolidated net sales in Euros	0.1 billion	0.1 billion	-
Non-consolidated purchases in U.S. dollars	0.0 billion	0.1 billion	-

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

million U.S. dollars/euros

		As of March 31, 2015		As of June 30, 2015		As of March 31, 2016
		Balance	Exchange rate	Balance	Exchange rate	Estimated exchange rate
USD	Cash and deposits	2,038	1 USD = 120.17 yen	2,216	1 USD = 122.45 yen	1 USD = 120.00 yen
	Accounts receivable-trade	233		185		
	Accounts payable-trade	159		168		
Euro	Cash and deposits	778	1 Euro = 130.32 yen	441	1 Euro = 137.23 yen	1 Euro = 125.00 yen
	Accounts receivable-trade	108		156		

## (5) 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. - Jun. '14	Apr. - Jun. '15	Jun. '15	Apr. '15-Mar. '16
Nintendo 3DS	Hardware	Japan	26	29	1,925	
		The Americas	25	40	1,791	
		Other	31	32	1,590	
		Total	82	101	5,307	760
	of which Nintendo 3DS XL	Japan	21	0	702	
		The Americas	16	5	640	
		Other	15	3	573	
		Total	53	8	1,915	
	of which Nintendo 2DS	Japan	-	-	-	
		The Americas	8	2	179	
		Other	13	3	201	
		Total	21	5	381	
	of which New Nintendo 3DS	Japan	-	6	65	
		The Americas	-	-	-	
		Other	-	9	32	
Total		-	15	97		
of which New Nintendo 3DS XL	Japan	-	21	155		
	The Americas	-	33	100		
	Other	-	17	61		
	Total	-	71	316		
Software	Japan	283	329	8,855		
	The Americas	300	232	7,911		
	Other	273	230	6,592		
	Total	857	792	23,358	5,600	
New titles	Japan	18	25	465		
	The Americas	19	10	360		
	Other	24	18	412		
Wii	Hardware	Japan	(0)	-	1,275	
		The Americas	4	(0)	4,864	
		Other	5	4	4,016	
		Total	9	4	10,156	10
	Software	Japan	9	13	7,556	
		The Americas	70	36	49,675	
		Other	80	63	33,576	
		Total	160	112	90,807	400
	New titles	Japan	-	1	463	
		The Americas	1	-	1,254	
Other		3	1	1,256		
Wii U	Hardware	Japan	6	15	248	
		The Americas	28	19	485	
		Other	17	13	268	
		Total	51	47	1,001	340
	Software	Japan	81	101	997	
		The Americas	230	206	3,365	
		Other	128	148	1,761	
		Total	439	455	6,123	2,300
	New titles	Japan	8	6	86	
		The Americas	5	4	123	
Other		7	6	116		

[Notes]

- 1 Software sales units and the number of new titles for Nintendo 3DS are those of Nintendo 3DS card software (packaged and downloadable versions).
- 2 Software sales units and the number of new titles for Wii do not include those of Virtual Console and WiiWare.
- 3 Software sales units and the number of new titles for Wii U are those of Wii U disc software (packaged and downloadable versions).
- 4 Actual software sales units of each platform include the quantity bundled with hardware.
- 5 Forecasted software sales units do not include the quantity bundled with hardware.