



MFMRFRSHIP
August 3, 2023

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 Three Months Ended June 30, 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 | % |
| Three months ended June 30, 2023 | 461,341 | 50.0 | 185,441 | 82.4 | 253,766 | 52.2 | 181,019 | 52.1 |
| Three months ended June 30, 2022 | 307,460 | (4.7) | 101,647 | (15.1) | 166,723 | 29.6 | 118,984 | 28.3 |

[Notes]

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

Comprehensive income: Three months ended June 30, 2023: 237,507 million yen [30.2%] Three months ended June 30, 2022: 182,428 million yen [86.6%]

| | Profit per share | Diluted profit per share |
|----------------------------------|------------------|--------------------------|
| | yen | yen |
| Three months ended June 30, 2023 | 155.48 | - |
| Three months ended June 30, 2022 | 101.85 | - |

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 June 30, 2023 | 2,997,942 | 2,361,772 | 78.7 |
| As of March 31, 2023 | 2,854,284 | 2,266,466 | 79.4 |

[Reference]

Shareholders equity : As of June 30, 2023: 2,360,572 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 | - | | | | |
| Year ending March 31, 2024 (forecast) | | - | - | - | 147.00 |

[Notes]

Revisions to previously announced dividend forecast: Not 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.

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, 2024, 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, 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 | 1,450,000 | (9.5) | 450,000 | (10.8) | 480,000 | (20.1) | 340,000 | (21.4) | 292.04 |

[Notes]

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

Revisions to previously announced financial forecast: Not applicable

Others

| | | | | |
|--|----------------------|----------------------|--|----------------------|
| (1) Changes for important subsidiaries during the three-month period ended June 30, 2023 Newly consolidated: 1 company (Nintendo Systems Co., Ltd.) | | | | : Applicable |
| (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 Jun. 30, 2023: | 1,298,690,000 shares | As of Mar. 31, 2023: | | 1,298,690,000 shares |
| 2) Number of treasury shares | | | | |
| As of Jun. 30, 2023: | 134,460,801 shares | As of Mar. 31, 2023: | | 134,460,640 shares |
| 3) Average number of shares | | | | |
| Three months ended | | Three months ended | | |
| Jun. 30, 2023: | 1,164,229,290 shares | Jun. 30, 2022: | | 1,168,178,044 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 first quarter (April through June 2023), *The Legend of Zelda: Tears of the Kingdom* (released in May) got off to a good start recording sales of 18.51 million units. The April release of *The Super Mario Bros. Movie* positively impacted sales of Mario related titles, with *Mario Kart 8 Deluxe* recording sales of 1.67 million units (for cumulative sales of 55.46 million units). Other titles also continued to sell steadily. As a result of these factors, hardware unit sales increased 13.9% year-on-year to 3.91 million units, and software unit sales increased 26.1% year-on-year to 52.21 million units.

Turning to the digital business for our dedicated video game platform, digital sales rose 35.9% year-on-year to 119.6 billion yen, helped by the depreciation of the yen combined with good sales of downloadable versions of packaged software for Nintendo Switch and increased sales related to Nintendo Switch Online.

In the mobile and IP related business, the combination of an increase in income from royalties and the high level of audience engagement with *The Super Mario Bros. Movie* resulted in overall sales of 31.8 billion yen (an increase of 190.1% year-on-year). The end result is that overall sales reached 461.3 billion yen, with sales outside Japan of 369.0 billion yen accounting for 80.0% of that total. Operating profit came to 185.4 billion yen. With the depreciation of the yen in foreign exchange markets, we recorded foreign exchange gains of 47.2 billion yen, with the result that ordinary profit totaled 253.7 billion yen and profit attributable to owners of parent totaled 181.0 billion yen.

2. Consolidated Financial Forecast

There are no changes to the original financial forecast for this period that was published on May 9, 2023.

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. For software, we released *Pikmin 4* in July, which will be followed by the release of *Super Mario Bros. Wonder* in October and *Super Mario RPG* in November. In addition, add-on content for *Pokémon Scarlet* and *Pokémon Violet* in the form of *The Hidden Treasure of Area Zero* is on the way. The first wave of this add-on content, *The Teal Mask*, is planned to be released in the fall of 2023, and the second part, *The Indigo Disk*, is planned for release in the winter of 2023. 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.

3. Consolidated Balance Sheets

million yen

| Description | As of March 31, 2023 | As of June 30, 2023 |
|---|----------------------|---------------------|
| (Assets) | | |
| Current assets | | |
| Cash and deposits | 1,263,666 | 1,327,573 |
| Notes and accounts receivable-trade | 119,932 | 145,660 |
| Securities | 615,699 | 624,456 |
| Inventories | 258,628 | 262,754 |
| Other | 56,822 | 94,969 |
| Allowance for doubtful accounts | (236) | (217) |
| Total current assets | 2,314,513 | 2,455,195 |
| Non-current assets | | |
| Property, plant and equipment | 99,509 | 103,787 |
| Intangible assets | 18,595 | 14,709 |
| Investments and other assets | 421,666 | 424,248 |
| Total non-current assets | 539,770 | 542,746 |
| Total assets | 2,854,284 | 2,997,942 |
| (Liabilities) | | |
| Current liabilities | | |
| Notes and accounts payable-trade | 149,217 | 145,997 |
| Provisions | 4,219 | 1,742 |
| Income taxes payable | 82,550 | 73,986 |
| Other | 297,492 | 351,845 |
| Total current liabilities | 533,480 | 573,571 |
| Non-current liabilities | | |
| Provisions | 133 | 43 |
| Retirement benefit liability | 23,084 | 24,905 |
| Other | 31,119 | 37,648 |
| Total non-current liabilities | 54,337 | 62,597 |
| Total liabilities | 587,818 | 636,169 |
| (Net assets) | | |
| Shareholders' equity | | |
| Share capital | 10,065 | 10,065 |
| Capital surplus | 15,079 | 15,079 |
| Retained earnings | 2,392,704 | 2,430,523 |
| Treasury shares | (271,049) | (271,050) |
| Total shareholders' equity | 2,146,798 | 2,184,616 |
| Accumulated other comprehensive income | | |
| Valuation difference on available-for-sale securities | 28,028 | 35,878 |
| Foreign currency translation adjustment | 91,406 | 140,077 |
| Total accumulated other comprehensive income | 119,435 | 175,955 |
| Non-controlling interests | 232 | 1,200 |
| Total net assets | 2,266,466 | 2,361,772 |
| Total liabilities and net assets | 2,854,284 | 2,997,942 |

4. Consolidated Statements of Income

million yen

| Description | Three months ended June 30, 2022 | Three months ended June 30, 2023 |
|--|----------------------------------|----------------------------------|
| Net sales | 307,460 | 461,341 |
| Cost of sales | 122,861 | 180,242 |
| Gross profit | 184,598 | 281,098 |
| Selling, general and administrative expenses | 82,950 | 95,656 |
| Operating profit | 101,647 | 185,441 |
| Non-operating income | | |
| Interest income | 2,722 | 10,779 |
| Foreign exchange gains | 51,798 | 47,202 |
| Other | 11,259 | 10,455 |
| Total non-operating income | 65,780 | 68,437 |
| Non-operating expenses | | |
| Interest expenses | 38 | 32 |
| Loss on sale of securities | 0 | 70 |
| Other | 665 | 8 |
| Total non-operating expenses | 704 | 111 |
| Ordinary profit | 166,723 | 253,766 |
| Extraordinary income | | |
| Gain on sale of non-current assets | 25 | 0 |
| Total extraordinary income | 25 | 0 |
| Extraordinary losses | | |
| Loss on disposal of non-current assets | 8 | 13 |
| Total extraordinary losses | 8 | 13 |
| Profit before income taxes | 166,740 | 253,753 |
| Total income taxes | 47,775 | 72,765 |
| Profit | 118,965 | 180,987 |
| Loss attributable to non-controlling interests | (18) | (31) |
| Profit attributable to owners of parent | 118,984 | 181,019 |

5. Consolidated Statements of Comprehensive Income

million yen

| Description | Three months ended June 30, 2022 | Three months ended June 30, 2023 |
|---|----------------------------------|----------------------------------|
| Profit | 118,965 | 180,987 |
| Other comprehensive income | | |
| Valuation difference on available-for-sale securities | 1,057 | 7,810 |
| Foreign currency translation adjustment | 58,988 | 48,337 |
| Share of other comprehensive income of entities accounted for using equity method | 3,417 | 372 |
| Total other comprehensive income | 63,462 | 56,520 |
| Comprehensive income | 182,428 | 237,507 |
| (Comprehensive income attributable to) | | |
| Comprehensive income attributable to owners of parent | 182,446 | 237,539 |
| Comprehensive income attributable to non-controlling interests | (18) | (31) |

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 three-month period ended June 30, 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 |
|-------------------------------------|--|--------|--------------|---------|--------|---------|
| Three months ended June 30, 2023 | Dedicated video game platform | 85,345 | 180,818 | 104,006 | 57,315 | 427,486 |
| | of which Nintendo Switch platform (*1) | 81,997 | 179,657 | 102,783 | 56,522 | 420,961 |
| | of which the others (*2) | 3,347 | 1,161 | 1,222 | 793 | 6,525 |
| | Mobile, IP related income, etc. (*3) | 5,443 | 24,416 | 1,499 | 498 | 31,857 |
| | Playing cards, etc. | 1,491 | 499 | - | 5 | 1,996 |
| Total | | 92,280 | 205,734 | 105,506 | 57,819 | 461,341 |

| | | Japan | The Americas | Europe | Other | Total |
|-------------------------------------|--|--------|--------------|--------|--------|---------|
| Three months ended June 30, 2022 | Dedicated video game platform | 57,288 | 129,050 | 79,069 | 30,261 | 295,670 |
| | of which Nintendo Switch platform (*1) | 54,215 | 126,320 | 78,084 | 29,647 | 288,266 |
| | of which the others (*2) | 3,073 | 2,730 | 985 | 614 | 7,404 |
| | Mobile, IP related income, etc. (*3) | 4,178 | 5,319 | 1,106 | 376 | 10,981 |
| | Playing cards, etc. | 452 | 354 | - | 0 | 807 |
| Total | | 61,920 | 134,724 | 80,176 | 30,638 | 307,460 |

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

Three months ended June 30, 2023: 119.6 billion yen Three months ended June 30, 2022: 88.0 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

| | Three months ended June 30, 2022 | Three months ended June 30, 2023 | Year ending March 31, 2024 (Forecast) |
|---|-------------------------------------|-------------------------------------|--|
| Depreciation of property, plant and equipment | 1,474 | 1,662 | 7,000 |
| Research and development expenses | 23,768 | 29,385 | 120,000 |
| Advertising expenses | 19,401 | 21,904 | 95,000 |
| Average exchange rates | | | |
| 1 USD = | 129.66 yen | 137.34 yen | 130.00 yen |
| 1 Euro = | 138.10 yen | 149.48 yen | 135.00 yen |

| | | | |
|--|-------------|-------------|---|
| Consolidated net sales in U.S. dollars | 0.9 billion | 1.4 billion | - |
| Consolidated net sales in Euros | 0.5 billion | 0.7 billion | - |
| Non-consolidated purchases in U.S. dollars | 1.0 billion | 1.0 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 June 30, 2023 | | As of March 31, 2024 |
|------|---------------------------|----------------------|-----------------------|---------------------|-----------------------|-------------------------|
| | | Balance | Exchange rate | Balance | Exchange rate | Estimated exchange rate |
| USD | Cash and deposits | 2,560 | | 2,416 | | |
| | Accounts receivable-trade | 893 | 1 USD= 133.00 yen | 703 | 1 USD= 144.56 yen | 1 USD= 130.00 yen |
| | Accounts payable-trade | 816 | | 701 | | |
| Euro | Cash and deposits | 199 | 1 Euro= 144.67 yen | 182 | 1 Euro= 157.35 yen | 1 Euro= 135.00 yen |
| | Accounts receivable-trade | 663 | | 729 | | |

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

| | | Sales Units in Ten Thousands | | | |
|--|--|------------------------------|-------------------|-------------------------------|-------------------------------|
| | | Actual | | Number of New Titles Released | |
| | | Apr. '22-Jun. '22 | Apr. '23-Jun. '23 | Life-to-date Jun. '23 | Forecast Apr. '23-Mar. '24 |
| Nintendo Switch | | | | | |
| Hardware (Total) | | Japan | 72 | 120 | 3,079 |
| | | The Americas | 127 | 118 | 5,018 |
| | | Europe | 111 | 94 | 3,353 |
| | | Other | 33 | 58 | 1,502 |
| | | Total | 343 | 391 | 12,953 |
| of which Nintendo Switch | | Japan | 22 | 16 | 1,989 |
| | | The Americas | 49 | 15 | 3,491 |
| | | Europe | 53 | 21 | 2,447 |
| | | Other | 8 | 13 | 1,096 |
| | | Total | 132 | 64 | 9,023 |
| of which Nintendo Switch – OLED Model | | Japan | 39 | 88 | 533 |
| | | The Americas | 46 | 88 | 570 |
| | | Europe | 45 | 66 | 416 |
| | | Other | 21 | 41 | 266 |
| | | Total | 152 | 283 | 1,785 |
| of which Nintendo Switch Lite | | Japan | 10 | 16 | 557 |
| | | The Americas | 33 | 15 | 958 |
| | | Europe | 12 | 7 | 489 |
| | | Other | 4 | 4 | 140 |
| | | Total | 59 | 43 | 2,145 |
| Software | | Japan | 807 | 902 | 20,918 |
| | | The Americas | 1,714 | 2,271 | 47,897 |
| | | Europe | 1,152 | 1,332 | 31,423 |
| | | Other | 467 | 716 | 8,597 |
| | | Total | 4,141 | 5,221 | 108,835 |
| New titles | | Japan | 64 | 81 | 1,607 |
| | | The Americas | 87 | 96 | 1,964 |
| | | Europe | 81 | 87 | 1,906 |

[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. Forecasted software sales units do not include the quantity bundled with hardware or other products.