

**CONSOLIDATED FINANCIAL HIGHLIGHTS**MEMBERSHIP  
August 3, 2022Nintendo 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, 2021 and 2022**

## (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, 2022	307,460	(4.7)	101,647	(15.1)	166,723	29.6	118,984	28.3
Three months ended June 30, 2021	322,647	(9.9)	119,752	(17.3)	128,610	(14.4)	92,747	(12.9)

[Notes]

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

Comprehensive income: Three months ended June 30, 2022: 182,428 million yen [86.6%] Three months ended June 30, 2021: 97,746 million yen [(11.9%)]

	Profit per share		Diluted profit per share	
	yen		yen	
Three months ended June 30, 2022	1,018.55		-	
Three months ended June 30, 2021	778.59		-	

## (2) Consolidated financial positions

	Total assets	Net assets	Capital adequacy ratio
	million yen	million yen	%
As of June 30, 2022	2,586,214	2,035,609	78.7
As of March 31, 2022	2,662,384	2,069,310	77.7

[Reference]

Shareholders equity : As of June 30, 2022: 2,035,362 million yen As of March 31, 2022: 2,069,043 million yen

**Dividends**

	Dividend per share				
	End of 1st quarter	End of 2nd quarter	End of 3rd quarter	Year-end	Annual
	yen				
Year ended March 31, 2022	-	620.00	-	1,410.00	2,030.00
Year ending March 31, 2023 (forecast)*	-	-	-	-	-

[Notes]

Revisions to previously announced dividend forecast: Not applicable

\*A 10-for-1 split of the Company's common stock is scheduled to take effect on October 1, 2022. Dividends are paid twice per year, following the end of the second quarter and at the fiscal year-end based on profit levels achieved in each fiscal year, in accordance with our basic policy. The dividend forecast for the fiscal year ending March 31, 2023 is undecided at this point in time, and will be announced at the timing of the 2023 fiscal year second quarter earnings release.

**Consolidated Financial Forecast for the Fiscal Year Ending March 31, 2023**

	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, 2023	1,600,000	(5.6)	500,000	(15.6)	480,000	(28.4)	340,000	(28.8)	289.80

[Notes]

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

Revisions to previously announced financial forecast: Not applicable

Profit per share takes into account the effect of the stock split described in the notes of "Dividends".

**Others**

- (1) Changes for important subsidiaries during the three-month period ended June 30, 2022 : Not 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, 2022:  | 129,869,000 shares | As of Mar. 31, 2022: | 129,869,000 shares |
| 2) Number of treasury shares                                |                    |                      |                    |
| As of Jun. 30, 2022:  | 13,446,672 shares  | As of Mar. 31, 2022: | 12,547,022 shares  |
| 3) Average number of shares                                 |                    |                      |                    |
| Three months ended  |                    | Three months ended   |                    |
| Jun. 30, 2022:  | 116,817,804 shares | Jun. 30, 2021:       | 119,122,625 shares |

[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. 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

Regarding the Nintendo Switch business during the first quarter (April through June 2022) of this fiscal year, *Nintendo Switch Sports* (released in April) achieved sales of 4.84 million units, and *Mario Strikers: Battle League* (released in June) got off to a good start selling 1.91 million units. In addition, stable sales continued for titles released in previous fiscal years. For example, *Kirby and the Forgotten Land* performed well with sales of 1.88 million units (for cumulative sales of 4.53 million units), and *Mario Kart 8 Deluxe* sold 1.48 million units (for cumulative sales of 46.82 million units). A total of 4 titles sold over one million units during this period. As a result of such factors, hardware sales for the quarter totaled 3.43 million units and software sales totaled 41.41 million units. However, due to the effects of supply shortages in semiconductors and other components among other factors, hardware sales were down 22.9% year-on-year, and software sales were down 8.6% year-on-year.

Turning to our digital business for the dedicated video game platform, sales were strong for Nintendo Switch downloadable versions of packaged software, and Nintendo Switch Online sales also increased. In addition, sales of add-on content rose not only for Nintendo titles, but also for titles from other software publishers, helping push digital sales to 88.0 billion yen, up 16.0% year-on-year.

Royalty income was stable, however, income from smart-device content declined, resulting in total sales of 10.9 billion yen in our mobile and IP related income, down 16.8% year-on-year.

As a result, net sales totaled 307.4 billion yen (with overseas sales of 245.5 billion yen accounting for 79.9% of that total), and operating profit came to a total of 101.6 billion yen. With the depreciation of the yen in foreign exchange markets, we recorded foreign exchange gains of 51.7 billion yen, resulting in ordinary profits of 166.7 billion yen and profit attributable to owners of the parent totaling 118.9 billion yen.

## 2. Consolidated Financial Forecast

There are no changes to the original financial forecast for the current fiscal year, published May 10, 2022.

Regarding Nintendo Switch, we will continue to convey the appeal of all three hardware models in order to maintain sales momentum and expand the install base. As for software, we released *Xenoblade Chronicles 3* in July, and are scheduled to release *Splatoon 3* in September, *Bayonetta 3* in October, and *Pokémon Scarlet* and *Pokémon Violet* in November. Other software publishers also plan to release a wide variety of compelling titles, and we will work to invigorate the platform through the combination of existing popular titles and a continuous stream of new titles.

The consolidated financial forecast is made under the assumption that we are able to manufacture the products in accordance with our sales plan. However, manufacturing and logistics may be impacted by factors such as obstacles in the procurement of parts including semiconductors, and risks associated with COVID-19.

The Nintendo group will take the necessary measures and continue business operations to provide an environment in which consumers can continue to enjoy Nintendo products and services.

## 3. Consolidated Balance Sheets

million yen

Description	As of March 31, 2022	As of June 30, 2022
<b>(Assets)</b>		
<b>Current assets</b>		
Cash and deposits	1,206,506	1,123,084
Notes and accounts receivable-trade	141,087	121,723
Securities	504,385	441,693
Inventories	204,183	256,241
Other	70,147	67,110
Allowance for doubtful accounts	(98)	(103)
<b>Total current assets</b>	<b>2,126,212</b>	<b>2,009,748</b>
<b>Non-current assets</b>		
Property, plant and equipment	85,164	91,849
Intangible assets	17,315	18,525
Investments and other assets		
Investment securities	312,663	339,358
Other	121,028	126,733
Total investments and other assets	433,692	466,091
<b>Total non-current assets</b>	<b>536,172</b>	<b>576,465</b>
<b>Total assets</b>	<b>2,662,384</b>	<b>2,586,214</b>
<b>(Liabilities)</b>		
<b>Current liabilities</b>		
Notes and accounts payable-trade	150,910	136,849
Provisions	5,459	1,696
Income taxes payable	99,520	56,317
Other	284,836	296,209
<b>Total current liabilities</b>	<b>540,726</b>	<b>491,072</b>
<b>Non-current liabilities</b>		
Provisions	-	80
Retirement benefit liability	25,063	27,623
Other	27,284	31,828
<b>Total non-current liabilities</b>	<b>52,347</b>	<b>59,532</b>
<b>Total liabilities</b>	<b>593,074</b>	<b>550,604</b>
<b>(Net assets)</b>		
<b>Shareholders' equity</b>		
Share capital	10,065	10,065
Capital surplus	15,041	15,041
Retained earnings	2,198,706	2,152,266
Treasury shares	(220,343)	(271,048)
<b>Total shareholders' equity</b>	<b>2,003,469</b>	<b>1,906,325</b>
<b>Accumulated other comprehensive income</b>		
Valuation difference on available-for-sale securities	33,199	34,167
Foreign currency translation adjustment	32,373	94,868
<b>Total accumulated other comprehensive income</b>	<b>65,573</b>	<b>129,036</b>
<b>Non-controlling interests</b>	<b>266</b>	<b>247</b>
<b>Total net assets</b>	<b>2,069,310</b>	<b>2,035,609</b>
<b>Total liabilities and net assets</b>	<b>2,662,384</b>	<b>2,586,214</b>

## 4. Consolidated Statements of Income

million yen

Description	Three months ended June 30, 2021	Three months ended June 30, 2022
Net sales	322,647	307,460
Cost of sales	129,779	122,861
<b>Gross profit</b>	<b>192,868</b>	<b>184,598</b>
Selling, general and administrative expenses	73,116	82,950
<b>Operating profit</b>	<b>119,752</b>	<b>101,647</b>
Non-operating income		
Interest income	743	2,722
Foreign exchange gains	739	51,798
Other	7,490	11,259
Total non-operating income	8,973	65,780
Non-operating expenses		
Loss on valuation of investment securities	-	655
Other	115	48
Total non-operating expenses	115	704
<b>Ordinary profit</b>	<b>128,610</b>	<b>166,723</b>
Extraordinary income		
Gain on sale of non-current assets	-	25
Total extraordinary income	-	25
Extraordinary losses		
Loss on disposal of non-current assets	7	8
Total extraordinary losses	7	8
<b>Profit before income taxes</b>	<b>128,603</b>	<b>166,740</b>
Total income taxes	35,862	47,775
<b>Profit</b>	<b>92,740</b>	<b>118,965</b>
Loss attributable to non-controlling interests	(7)	(18)
<b>Profit attributable to owners of parent</b>	<b>92,747</b>	<b>118,984</b>

## 5. Consolidated Statements of Comprehensive Income

million yen

Description	Three months ended June 30, 2021	Three months ended June 30, 2022
<b>Profit</b>	<b>92,740</b>	<b>118,965</b>
Other comprehensive income		
Valuation difference on available-for-sale securities	583	1,057
Foreign currency translation adjustment	2,526	58,988
Share of other comprehensive income of entities accounted for using equity method	1,895	3,417
Total other comprehensive income	5,006	63,462
<b>Comprehensive income</b>	<b>97,746</b>	<b>182,428</b>
(Comprehensive income attributable to)		
Comprehensive income attributable to owners of parent	97,754	182,446
Comprehensive income attributable to non-controlling interests	(7)	(18)

## 6. Notes to Consolidated Financial Statements

(Going Concern Assumption)

There are no applicable items.

(Significant changes in shareholders' equity)

Based on the resolution at the meeting of the Board of Directors held on May 10, 2022, the Company acquired 899,500 shares as its treasury shares. As a result, for the three months ended June 30, 2022, treasury shares increased by 50,695 million yen.

(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, 2022 multiplied by a reasonably estimated annual effective tax rate with the effects of deferred taxes reflected.

(Additional information)

(Stock split)

At the meeting of the Board of Directors held on May 10, 2022, the Company resolved to authorize a stock split of shares of its common stock and a partial amendment to the Articles of Incorporation and change in the Dividend Policy due to the stock split.

(1) Purpose of the stock split

To reduce the minimum investment price through the stock split, thereby increasing the liquidity of the Company's shares and further expanding the Company's investor base.

(2) Overview of the stock split

1) Stock split method

The record date for the stock split will be Friday, September 30, 2022. Each share of the Company's common stock held by shareholders who are registered or recorded in the final shareholder registry as of the record date will be split into 10 shares.

2) Increase in the number of shares as a result of the stock split

Number of shares outstanding prior to the stock split	129,869,000 shares
Increase in the number of shares as a result of the stock split	1,168,821,000 shares
Number of shares outstanding after the stock split	1,298,690,000 shares
Number of authorized shares after the stock split	4,000,000,000 shares

3) Stock split schedule

Date of public notice of the record date	Wednesday, September 14, 2022
Record date	Friday, September 30, 2022
Effective date	Saturday, October 1, 2022

(3) Partial amendment to the Articles of Incorporation due to the stock split

1) Reason for Amendment

Due to the stock split described above, the Company will amend the total number of shares authorized to be issued stipulated in Article 6 of the Articles of Incorporation effective Saturday, October 1, 2022, pursuant to Article 184, Paragraph 2 of the Companies Act.

## 2) Details of the Amendment

The details of the amendment are as follows.

(Changes are underlined.)

Current Articles	Proposed Amendment
(Total Number of Shares Authorized to be Issued) Article 6. The total number of shares authorized to be issued by the Company shall be <u>four-hundred million</u> (400,000,000) shares.	(Total Number of Shares Authorized to be Issued) Article 6. The total number of shares authorized to be issued by the Company shall be <u>four billion</u> (4,000,000,000) shares.

## 3) Amendment schedule

Effective date

Saturday, October 1, 2022

## (4) Change in the Dividend Policy

The Dividend Policy of the Company shall be amended as below, due to the above stock split. The change is an adjustment due to the implementation of the stock split, and there is no material change from the existing policy.

The new policy shall be applied to the shares after the stock split from the year-end dividend for the fiscal year ending March 2023.

(Changes are underlined.)

Current Policy	Proposed Amendment
The annual dividend per share will be established at the higher of the amount calculated by dividing 33% of consolidated operating profit by the total number of outstanding shares, excluding treasury shares, as of the end of the fiscal year rounded up to the <u>10</u> yen digit, or the amount calculated based on the 50% consolidated profit standard rounded up to the <u>10</u> yen digit. The end of 2nd quarter (interim) dividend per share is calculated by dividing 33% of consolidated operating profit by the total number of outstanding shares, excluding treasury shares, as of the end of the six-month period rounded up to the <u>10</u> yen digit.	The annual dividend per share will be established at the higher of the amount calculated by dividing 33% of consolidated operating profit by the total number of outstanding shares, excluding treasury shares, as of the end of the fiscal year rounded up to the <u>1</u> yen digit, or the amount calculated based on the 50% consolidated profit standard rounded up to the <u>1</u> yen digit. The end of 2nd quarter (interim) dividend per share is calculated by dividing 33% of consolidated operating profit by the total number of outstanding shares, excluding treasury shares, as of the end of the six-month period rounded up to the <u>1</u> yen digit.

## (5) Other

Change in share capital

The Company's share capital shall not change due to the above stock split.

## (6) Impact on per share information

Per share information calculated on the assumption that the stock split described above had been made at the beginning of the previous fiscal year is as follows:

	Three months ended June 30, 2021 (From April 1, 2021 to June 30, 2021)	Three months ended June 30, 2022 (From April 1, 2022 to June 30, 2022)
Profit per share	77.86 yen	101.85 yen

## 7. Others

### (1) Consolidated sales information

million yen

		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

		Japan	The Americas	Europe	Other	Total
Three months ended June 30, 2021	Dedicated video game platform	66,337	133,764	76,729	32,101	308,933
	of which Nintendo Switch platform (*1)	62,801	130,976	75,432	30,843	300,054
	of which the others (*2)	3,535	2,787	1,297	1,258	8,879
	Mobile, IP related income, etc. (*3)	4,701	6,506	1,216	775	13,199
	Playing cards, etc.	356	157	-	0	514
Total		71,395	140,428	77,946	32,877	322,647

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

Three months ended June 30, 2022: 88.0 billion yen      Three months ended June 30, 2021: 75.9 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 smart-device content and royalty income.
- \*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, 2021	Three months ended June 30, 2022	Year ending March 31, 2023 (Forecast)
Depreciation of property, plant and equipment		1,404	1,474	7,000
Research and development expenses		20,343	23,768	100,000
Advertising expenses		18,207	19,401	100,000
Average exchange rates	1 USD =	109.46 yen	129.66 yen	115.00 yen
	1 Euro =	131.87 yen	138.10 yen	125.00 yen

Consolidated net sales in U.S. dollars	1.2 billion	0.9 billion	-
Consolidated net sales in Euros	0.5 billion	0.5 billion	-
Non-consolidated purchases in U.S. dollars	1.3 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, 2022		As of June 30, 2022		As of March 31, 2023
		Balance	Exchange rate	Balance	Exchange rate	Estimated exchange rate
USD	Cash and deposits	3,125		2,863		
	Accounts receivable-trade	828	1 USD=	935	1 USD=	1 USD=
	Accounts payable-trade	827	121.83 yen	707	136.11 yen	115.00 yen
Euro	Cash and deposits	381	1 Euro=	126	1 Euro=	1 Euro=
	Accounts receivable-trade	575	135.41 yen	616	142.24 yen	125.00 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. '21-Jun. '21	Apr. '22-Jun. '22	Jun. '22	Apr. '22-Mar. '23
<b>Nintendo Switch</b>						
Hardware (Total)	Japan	116	72	2,595		
	The Americas	159	127	4,330		
	Europe	108	111	2,870		
	Other	62	33	1,313		
	Total	445	343	11,108	2,100	
of which Nintendo Switch	Japan	83	22	1,901		
	The Americas	110	49	3,257		
	Europe	82	53	2,268		
	Other	56	8	1,052		
	Total	331	132	8,477		
of which Nintendo Switch – OLED Model	Japan	-	39	200		
	The Americas	-	46	240		
	Europe	-	45	158		
	Other	-	21	134		
	Total	-	152	732		
of which Nintendo Switch Lite	Japan	34	10	494		
	The Americas	48	33	834		
	Europe	26	12	445		
	Other	5	4	127		
	Total	114	59	1,899		
Software	Japan	813	807	16,243		
	The Americas	2,235	1,714	38,642		
	Europe	1,135	1,152	24,945		
	Other	346	467	6,529		
	Total	4,529	4,141	86,359	21,000	
New titles	Japan	65	64	1,240		
	The Americas	86	87	1,494		
	Europe	82	81	1,498		

## [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.
4. Forecasted software sales units do not include the quantity bundled with hardware.