

MEMBERSHIP  
February 3, 2022

# CONSOLIDATED FINANCIAL HIGHLIGHTS



Nintendo Co., Ltd.  
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Japan

(Amounts below one million yen are rounded down)

## Consolidated Results for the Nine Months Ended December 31, 2020 and 2021

### (1) Consolidated operating results

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	million yen	%	million yen	%	million yen	%	million yen	%
Nine months ended December 31, 2021	1,320,219	(6.0)	472,551	(9.3)	513,794	(2.7)	367,387	(2.5)
Nine months ended December 31, 2020	1,404,463	37.3	521,108	98.2	528,230	92.9	376,665	91.8

[Notes]

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

Comprehensive income: Nine months ended December 31, 2021: 385,895 million yen [(0.9%)] Nine months ended December 31, 2020: 389,573 million yen [100.7%]

	Profit per share	Diluted profit per share
	yen	yen
Nine months ended December 31, 2021	3,106.05	-
Nine months ended December 31, 2020	3,161.97	-

### (2) Consolidated financial positions

	Total assets	Net assets	Capital adequacy ratio
	million yen	million yen	%
As of December 31, 2021	2,507,333	1,924,720	76.8
As of March 31, 2021	2,446,918	1,874,614	76.6

[Reference]

Shareholders equity : As of December 31 2021: 1,924,445 million yen As of March 31 2021: 1,874,371 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, 2021	-	810.00	-	1,410.00	2,220.00
Year ending March 31, 2022	-	620.00	-		
Year ending March 31, 2022 (forecast)			-	1,080.00	1,700.00

[Notes]

Revisions to previously announced dividend forecast: Applicable

## Consolidated Financial Forecast for the Fiscal Year Ending March 31, 2022

	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, 2022	1,650,000	(6.2)	560,000	(12.6)	570,000	(16.1)	400,000 (16.7)	3,388.54

[Notes]

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

Revisions to previously announced financial forecast: Applicable

Please refer to "Notice of Full-Year Financial Forecast and Dividend Forecast Modifications" announced on February 3, 2022 for more details.

**Others**

(1) Changes for important subsidiaries during the nine-month period ended December 31, 2021 : 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 Dec. 31, 2021:	129,869,000 shares	As of Mar. 31, 2021:	131,669,000 shares
2) Number of treasury shares			
As of Dec. 31, 2021:	12,546,769 shares	As of Mar. 31, 2021:	12,546,233 shares
3) Average number of shares			
Nine months ended		Nine months ended	
Dec. 31, 2021:	118,281,429 shares	Dec. 31, 2020:	119,123,454 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

During the nine months ended December 31, 2021, in the Nintendo Switch business, Nintendo Switch – OLED Model launched in October and got off to a good start. Nintendo Switch and Nintendo Switch Lite also sustained sales momentum following the launch of Nintendo Switch – OLED Model, and all three models sold well while maintaining a good sales balance. Last fiscal year, the March 2020 release of *Animal Crossing: New Horizons* was a major driver of hardware sales, so compared to the same period of last year, the unit sales declined for hardware resulting in 18.95 million units (a decrease of 21.4% year-on-year). Looking at software, among titles released this fiscal year, *Pokémon Brilliant Diamond* and *Pokémon Shining Pearl* started out strong, with sales of 13.97 million units, *Mario Party Superstars* sold 5.43 million units, and *The Legend of Zelda: Skyward Sword HD* sold 3.85 million units respectively. Titles released in previous fiscal years also continued to sell well, with *Mario Kart 8 Deluxe* selling 7.96 million units (for cumulative sales of 43.35 million units) and *Animal Crossing: New Horizons* selling 4.99 million units (for cumulative sales of 37.62 million units). Sales of titles from other software publishers also continued to grow steadily, bringing the total number of million-seller titles during this period to 29, including titles from these other software publishers. Cumulative hardware sales have now grown beyond 100 million units, and as a result of continued good overall software sales that have leveraged this install base, software unit sales reached 179.29 million units (an increase of 1.8% year-on-year).

Turning to our digital business for dedicated video game platforms, downloadable versions of packaged software for Nintendo Switch sold steadily, as did download-only software and Nintendo Switch Online memberships, and digital sales for this fiscal year totaled 255.0 billion yen (a decrease of 0.4% year-on-year).

For the mobile business, many consumers continued to enjoy the released titles, and royalty income was stable, with the result that our mobile and IP related income totaled 39.8 billion yen (a decrease of 5.2% year-on-year).

As a result, net sales reached 1,320.2 billion yen, with overseas sales of 1,043.0 billion yen accounting for 79.0% of the total. Operating profit came to 472.5 billion yen, ordinary profit was 513.7 billion yen, and profit attributable to owners of parent totaled 367.3 billion yen.

## 2. Consolidated Financial Forecast

For Nintendo Switch, we will continue to convey the appeal of the three models and work to further expand the install base. Regarding software, *Pokémon Legends: Arceus* was released in January, and we plan to follow that up with the release of *Kirby and the Forgotten Land* in March. There is also a robust variety of appealing titles from other software publishers scheduled for release, and we will work to strengthen sales through the combination of existing popular titles and a continuous stream of attractive new titles.

In regard to business risk, the extended impact of both COVID-19 and the global semiconductor shortage creates a state of continued uncertainty, with the possibility of future impact on production and shipping. While these and other unforeseen risks exist, we continue to take all necessary measures in conducting business.

We have revised the financial forecast published on November 4, 2021. For details, please see the Notice of Full-Year Financial Forecast and Dividend Forecast Modifications issued today (February 3, 2022).

### **3. Other Information**

(1) Application of peculiar methods for accounting procedures

(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 nine-month period ended December 31, 2021 multiplied by reasonably estimated annual effective tax rate with the effects of deferred taxes reflected.

(2) Changes in accounting procedures related to accounting standard revisions, etc.

(Changes in accounting procedures)

(Application of the Accounting Standard for Revenue Recognition)

Effective at the beginning of the fiscal year ending March 31, 2022, Nintendo has adopted the Accounting Standard for Revenue Recognition (ASBJ Statement No. 29, March 31, 2020). Under this standard, revenue is recognized at the amount expected to be received for the goods or services and at the time control of the promised goods or services is transferred to the customer.

Under the new standard, if the seller is obligated to buy back goods included in paid-for transactions, those goods are no longer recognized as extinguished when they are paid for. As a result, at the end of the third quarter of this consolidated accounting period, inventories and other current liabilities increased by 36,925 million yen. These were previously recognized as the extinguishment of paid-for services.

The application of the Accounting Standard for Revenue Recognition is subject to the transitional treatment stipulated in paragraph 84, but because there is no cumulative impact on profit or loss, the balance of retained earnings at the beginning of the period has not been adjusted. The impact on the quarterly consolidated financial statements is immaterial.

(Application of the Accounting Standard for Fair Value Measurement)

Effective at the beginning of the fiscal year ending March 31, 2022, Nintendo has adopted the Accounting Standard for Fair Value Measurement (ASBJ Statement No. 30, July 4, 2019). Requirements of this accounting standard will be applied prospectively, subject to the transitional treatment stipulated in paragraph 19 of the standard as well as Article 44-2 of the Accounting Standards for Financial Instruments (ASBJ Statement 10, July 4, 2019). There is no impact on the quarterly consolidated financial statements.

## 4. Consolidated Balance Sheets

million yen

Description	As of March 31, 2021	As of December 31, 2021
<b>(Assets)</b>		
<b>Current assets</b>		
Cash and deposits	1,185,151	1,141,278
Notes and accounts receivable-trade	140,570	265,954
Securities	557,238	392,992
Inventories	86,817	169,256
Other	50,692	63,743
Allowance for doubtful accounts	(94)	(173)
<b>Total current assets</b>	<b>2,020,375</b>	<b>2,033,051</b>
<b>Non-current assets</b>		
Property, plant and equipment	83,569	84,187
Intangible assets	14,922	16,172
Investments and other assets		
Investment securities	214,832	260,675
Other	113,219	113,246
Total investments and other assets	328,051	373,921
<b>Total non-current assets</b>	<b>426,543</b>	<b>474,281</b>
<b>Total assets</b>	<b>2,446,918</b>	<b>2,507,333</b>
<b>(Liabilities)</b>		
<b>Current liabilities</b>		
Notes and accounts payable-trade	114,677	184,158
Provisions	5,227	2,105
Income taxes payable	157,307	43,380
Other	249,119	303,143
<b>Total current liabilities</b>	<b>526,331</b>	<b>532,787</b>
<b>Non-current liabilities</b>		
Retirement benefit liability	21,001	22,448
Other	24,970	27,377
<b>Total non-current liabilities</b>	<b>45,972</b>	<b>49,825</b>
<b>Total liabilities</b>	<b>572,304</b>	<b>582,613</b>
<b>(Net assets)</b>		
<b>Shareholders' equity</b>		
Share capital	10,065	10,065
Capital surplus	15,043	15,041
Retained earnings	1,993,325	2,088,402
Treasury shares	(156,851)	(220,329)
<b>Total shareholders' equity</b>	<b>1,861,582</b>	<b>1,893,180</b>
<b>Accumulated other comprehensive income</b>		
Valuation difference on available-for-sale securities	33,571	32,349
Foreign currency translation adjustment	(20,782)	(1,084)
<b>Total accumulated other comprehensive income</b>	<b>12,788</b>	<b>31,265</b>
<b>Non-controlling interests</b>	<b>243</b>	<b>274</b>
<b>Total net assets</b>	<b>1,874,614</b>	<b>1,924,720</b>
<b>Total liabilities and net assets</b>	<b>2,446,918</b>	<b>2,507,333</b>

## 5. Consolidated Statements of Income

million yen

Description	Nine months ended December 31, 2020	Nine months ended December 31, 2021
Net sales	1,404,463	1,320,219
Cost of sales	635,646	586,187
<b>Gross profit</b>	<b>768,816</b>	<b>734,032</b>
Selling, general and administrative expenses	247,707	261,480
<b>Operating profit</b>	<b>521,108</b>	<b>472,551</b>
Non-operating income		
Interest income	4,940	2,053
Share of profit of entities accounted for using equity method	7,624	19,497
Foreign exchange gains	—	16,883
Other	3,113	3,346
Total non-operating income	15,678	41,781
Non-operating expenses		
Interest expenses	130	222
Commission for purchase of treasury shares	0	250
Foreign exchange losses	7,439	—
Other	986	66
Total non-operating expenses	8,556	538
<b>Ordinary profit</b>	<b>528,230</b>	<b>513,794</b>
Extraordinary income		
Gain on sale of non-current assets	2,516	—
Gain on sale of investment securities	40	—
Settlement received	—	3,300
Total extraordinary income	2,556	3,300
Extraordinary losses		
Loss on disposal of non-current assets	178	35
Total extraordinary losses	178	35
<b>Profit before income taxes</b>	<b>530,608</b>	<b>517,059</b>
Income taxes	153,903	149,640
<b>Profit</b>	<b>376,705</b>	<b>367,418</b>
Profit attributable to non-controlling interests	40	31
<b>Profit attributable to owners of parent</b>	<b>376,665</b>	<b>367,387</b>

## 6. Consolidated Statements of Comprehensive Income

million yen

Description	Nine months ended December 31, 2020	Nine months ended December 31, 2021
<b>Profit</b>	<b>376,705</b>	<b>367,418</b>
Other comprehensive income		
Valuation difference on available-for-sale securities	20,232	(1,265)
Foreign currency translation adjustment	(6,347)	17,434
Share of other comprehensive income of entities accounted for using equity method	(1,017)	2,307
Total other comprehensive income	12,867	18,476
<b>Comprehensive income</b>	<b>389,573</b>	<b>385,895</b>
(Comprehensive income attributable to)		
Comprehensive income attributable to owners of parent	389,532	385,864
Comprehensive income attributable to non-controlling interests	40	31

## 7. Notes Pertaining to Consolidated Financial Statements

### Significant changes in shareholders' equity

The Company acquired 1,800,000 shares of its treasury shares based on a resolution of the Board of Directors on August 5, 2021. For the nine months ended December 31, 2021, treasury shares increased by 95,055 million yen. In addition, we cancelled 1,800,000 shares of treasury shares on September 16, 2021. As a result, other capital surplus decreased by 1 million yen, retained earnings decreased by 31,607 million yen and treasury shares decreased by 31,608 million yen for the nine months ended December 31, 2021.

## 8. Others

### (1) Consolidated sales information

million yen

		Japan	The Americas	Europe	Other	Total
Nine months ended December 31, 2021	Dedicated video game platform	261,557	544,009	346,056	126,595	1,278,219
	of which Nintendo Switch platform (*1)	251,092	534,391	341,045	123,951	1,250,479
	of which the others (*2)	10,465	9,618	5,011	2,644	27,739
	Mobile, IP related income, etc. (*3)	14,210	20,353	3,493	1,768	39,825
	Playing cards, etc.	1,404	767	-	2	2,175
	Total	277,173	565,130	349,549	128,366	1,320,219

		Japan	The Americas	Europe	Other	Total
Nine months ended December 31, 2020	Dedicated video game platform	296,628	557,621	356,238	150,585	1,361,073
	of which Nintendo Switch platform (*1)	287,196	548,562	350,426	149,097	1,335,282
	of which the others (*2)	9,432	9,059	5,812	1,487	25,791
	Mobile, IP related income, etc. (*3)	16,680	19,595	3,928	1,807	42,011
	Playing cards, etc.	1,267	105	0	5	1,378
	Total	314,576	577,322	360,166	152,398	1,404,463

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

Nine months ended December 31, 2021: 255.0 billion yen      Nine months ended December 31, 2020: 256.0 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 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

		Nine months ended December 31, 2020	Nine months ended December 31, 2021	Year ending March 31, 2022 (Forecast)
Depreciation of property, plant and equipment		4,084	4,441	6,000
Research and development expenses		70,157	68,969	95,000
Advertising expenses		64,876	75,159	95,000
Average exchange rates	1 USD =	106.04 yen	111.06 yen	110.79 yen
	1 Euro =	122.35 yen	130.54 yen	129.15 yen

Consolidated net sales in U.S. dollars	5.2 billion	4.9 billion	-
Consolidated net sales in Euros	2.8 billion	2.6 billion	-
Non-consolidated purchases in U.S. dollars	4.6 billion	4.6 billion	-

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

million U.S. dollars/Euros

		As of March 31, 2021		As of December 31, 2021		As of March 31, 2022
		Balance	Exchange rate	Balance	Exchange rate	Estimated exchange rate
USD	Cash and deposits	3,575		3,535		
	Accounts receivable-trade	769	1 USD= 110.70 yen	1,299	1 USD= 115.09 yen	1 USD= 110.00 yen
	Accounts payable-trade	555		983		
Euro	Cash and deposits	423		501		
	Accounts receivable-trade	522	1 Euro= 129.82 yen	954	1 Euro= 130.55 yen	1 Euro= 125.00 yen
	Borrowings from subsidiaries	375		325		



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

			Actual		Sales Units in Ten Thousands	
			Actual	Actual	Number of New Titles Released	
			Apr. '20-Dec. '20	Apr. '21-Dec. '21	Life-to-date	Forecast
					Dec. '21	Apr. '21-Mar. '22
Nintendo Switch (Total)	Hardware	Japan	544	432	2,436	
		The Americas	905	684	4,012	
		Europe	628	540	2,698	
		Other	333	238	1,209	
		Total	2,410	1,895	10,354	2,300
of which Nintendo Switch		Japan	402	235	1,857	
		The Americas	560	411	3,096	
		Europe	426	375	2,186	
		Other	289	159	1,028	
		Total	1,677	1,179	8,168	
of which Nintendo Switch – OLED Model		Japan	-	107	107	
		The Americas	-	141	141	
		Europe	-	91	91	
		Other	-	61	61	
		Total	-	399	399	
of which Nintendo Switch Lite		Japan	142	91	472	
		The Americas	345	133	774	
		Europe	202	75	421	
		Other	45	18	119	
		Total	733	317	1,787	
Software		Japan	3,169	3,098	14,320	
		The Americas	7,954	8,464	34,564	
		Europe	5,238	5,085	22,301	
		Other	1,250	1,283	5,456	
		Total	17,610	17,929	76,641	22,000
New titles		Japan	224	251	1,100	
		The Americas	281	279	1,325	
		Europe	257	285	1,320	

## [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. While forecasted software sales units include the quantity bundled with hardware for nine months ended December 31, 2021, they do not include the quantity to be bundled with hardware on and after January 1, 2022.