



2nd Quarter Results for
Fiscal Year Ending March 2021
Financial Results Explanatory Material

Nintendo Co., Ltd.

Nov. 5, 2020

1. Consolidated Financial Results and Outlook

Consolidated Financial Highlights

	FY20/Q1-Q2	FY21/Q1-Q2	Comparison
Net sales	443.9 bn yen	769.5 bn yen	+73.3 %
Operating profit	94.2 bn yen	291.4 bn yen	+209.3 %
Operating profit ratio	21.2 %	37.9 %	+16.7 pt.
Ordinary profit	85.1 bn yen	297.4 bn yen	+249.3 %
Net profit	62.0 bn yen	213.1 bn yen	+243.6 %
Net profit ratio	14.0 %	27.7 %	+13.7 pt.

*Net profit: Profit attributable to owners of parent

*FY = Fiscal Year: FY21/Q1-Q2 indicates the period between April 1, 2020 and September 30, 2020.

Consolidated Sales

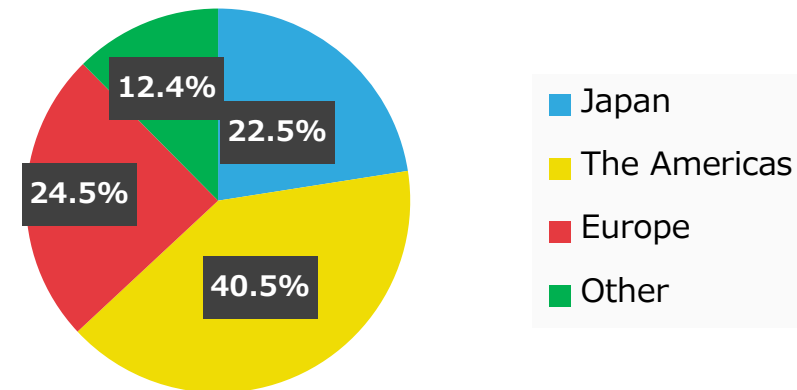
	FY20/Q1-Q2	FY21/Q1-Q2	Comparison
Net sales	443.9 bn yen	769.5 bn yen	+73.3 %
Dedicated video game platform*1	422.9 bn yen	741.9 bn yen	+75.4 %
Mobile, IP related income, etc.*2	19.9 bn yen	26.7 bn yen	+33.9 %
Playing cards, etc.	1.0 bn yen	0.8 bn yen	-15.3 %

*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 smart-device content and royalty income.

Effect of changes in foreign exchange rates on net sales: -8.5 billion yen

FY21/Q1-Q2 Regional Sales Ratio



Proportion of overseas sales: 77.5%

Gross Profit

	FY20/Q1-Q2	FY21/Q1-Q2	Comparison
Gross profit	213.1 bn yen	434.0 bn yen	+103.7 %
Gross profit ratio	48.0 %	56.4 %	+8.4 pt.

Main Variable Factors

	FY20/Q1-Q2	FY21/Q1-Q2	Comparison
Proportion of hardware sales*1	53.2 %	51.1 %	-2.1 pt.
Proportion of first-party software sales*2	75.2 %	81.9 %	+6.7 pt.
Proportion of digital sales*2	36.2 %	47.2 %	+11.0 pt.
Average exchange rate	1 USD 108.63 yen	106.84 yen	-1.79 yen
	1 Euro 121.42 yen	121.24 yen	-0.18 yen

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

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

Selling, General and Administrative Expenses / Operating Profit

	FY20/Q1-Q2	FY21/Q1-Q2	Comparison
SG&A expenses	118.8 bn yen	142.6 bn yen	+20.0 %
SG&A expenses-to-sales ratio	26.8 %	18.5 %	-8.3 pt.
Operating profit	94.2 bn yen	291.4 bn yen	+209.3 %
Operating profit ratio	21.2 %	37.9 %	+16.7 pt.

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

Effect of changes in foreign exchange rates on operating profit: approx. -4.0 billion yen

	FY20/Q1-Q2	FY21/Q1-Q2	Comparison
Research and development expenses	36.2 bn yen	42.1 bn yen	+16.3 %
Advertising expenses	30.1 bn yen	30.7 bn yen	+2.1 %

Ordinary Profit and Net Profit

	FY20/Q1-Q2	FY21/Q1-Q2	Comparison
Non-operating income	11.9 bn yen	10.2 bn yen	-13.9 %
Non-operating expenses	21.0 bn yen	4.2 bn yen	-79.9 %
included foreign exchange losses	20.5 bn yen	3.6 bn yen	-82.3 %
Ordinary profit	85.1 bn yen	297.4 bn yen	+249.3 %
Net profit	62.0 bn yen	213.1 bn yen	+243.6 %
Net profit ratio	14.0 %	27.7 %	+13.7 pt.

*Net profit: Profit attributable to owners of parent

Exchange rate	FY20	FY21/Q2	Comparison	Dividends	FY20	FY21	Comparison
1 USD	108.83 yen	105.58 yen	-3.25 yen	End of Q2	270 yen	810 yen	+540 yen
1 Euro	119.55 yen	123.79 yen	+4.24 yen				

FY21 Consolidated Financial Forecast

We have revised the consolidated earnings forecast issued in "Fiscal Year Earnings" on May 7, 2020.

	Previous Forecast	Modified Forecast	Comparison	FY20 Results
Net sales	1,200.0 bn yen	1,400.0 bn yen	+16.7 %	1,308.5 bn yen
Operating profit	300.0 bn yen	450.0 bn yen	+50.0 %	352.3 bn yen
Ordinary profit	290.0 bn yen	440.0 bn yen	+51.7 %	360.4 bn yen
Net profit	200.0 bn yen	300.0 bn yen	+50.0 %	258.6 bn yen

*Net profit: Profit attributable to owners of parent

*Assumed exchange rates for FY21 remain unchanged at 105 yen per U.S. dollar and 115 yen per euro.

	Previous Forecast	Modified Forecast	Comparison	FY20 Results
Dividends				
Annual	840 yen	1,260 yen	420 yen	1,090 yen

*The dividend per share for the end of Q2 was 810 yen.

	Previous Forecast	Modified Forecast	Comparison	FY20 Results
Nintendo Switch				
Hardware	19.00 mil units	24.00 mil units	+26.3 %	21.03 mil units
Software	140.00 mil units	170.00 mil units	+21.4 %	168.72 mil units

*While revised FY21 forecast software sales units include the quantity bundled with hardware (0.80 million units) for the six months ended Sept. 30, 2020, they do not include the quantity to be bundled with hardware on or after Oct. 1, 2020.

*Software sales units for FY20 include the quantity bundled with hardware (3.40 million units).

2. Business Highlights

Sales Status of Nintendo Switch (Sell-in)

	FY20/Q1-Q2		FY21/Q1-Q2		Comparison
Hardware	6.93	mil units	12.53	mil units	+80.9 %
Nintendo Switch	4.98	mil units	8.36	mil units	+68.0 %
Nintendo Switch Lite	1.95	mil Units	4.17	mil units	+113.7 %
Software	58.49	mil units	100.25	mil units	+71.4 %



Animal Crossing: New Horizons
14.27 million units



Super Mario 3D All-Stars
5.21 million units

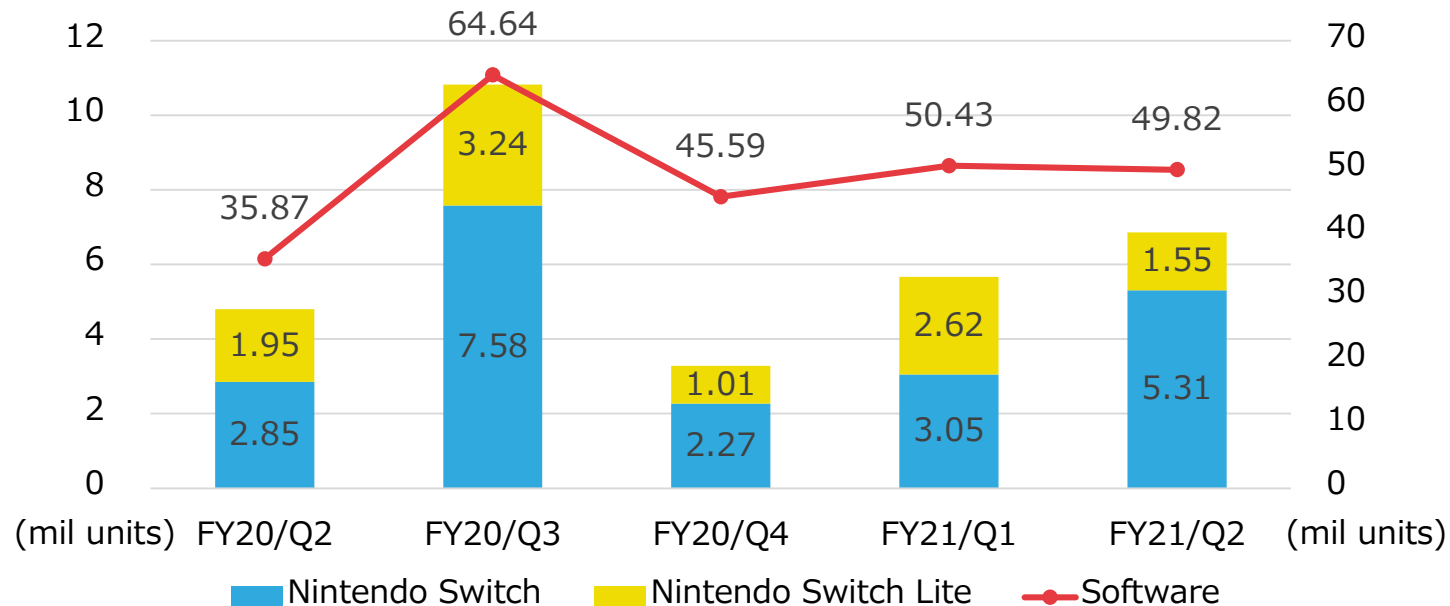


Mario Kart 8 Deluxe
4.21 million units



Ring Fit Adventure
3.11 million units

Quarterly Unit Sales Trends

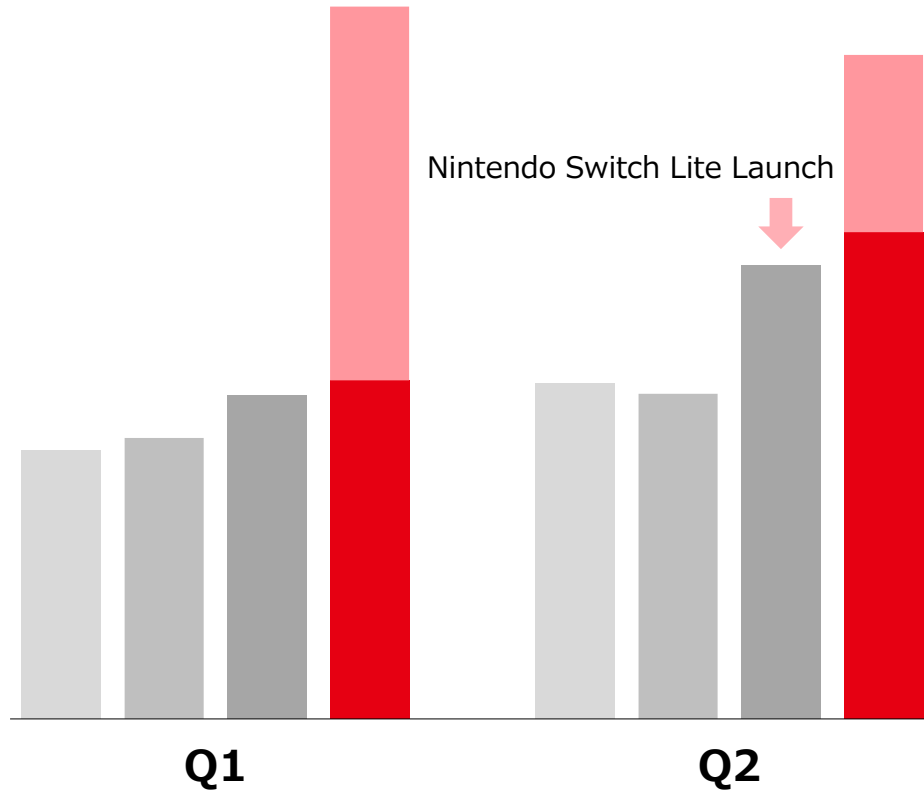


Number of Million-Seller Titles (FY21)

20 titles
Including 15 Nintendo titles and 5 titles by other software publishers

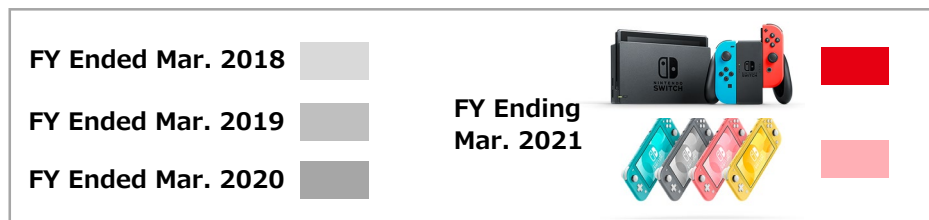
Nintendo Switch Family Sell-Through

Total sell-through for Japan, North America, and Europe



- **Strong sell-through momentum continues even after the summer sales season**
- **Q2 results exceeded the same period last year, during which Nintendo Switch Lite was launched**
- **Global cumulative sell-through of more than 63 million units**

(Internal estimates, including Asia, Latin America, and other regions, as of the end of Sept. 2020.)

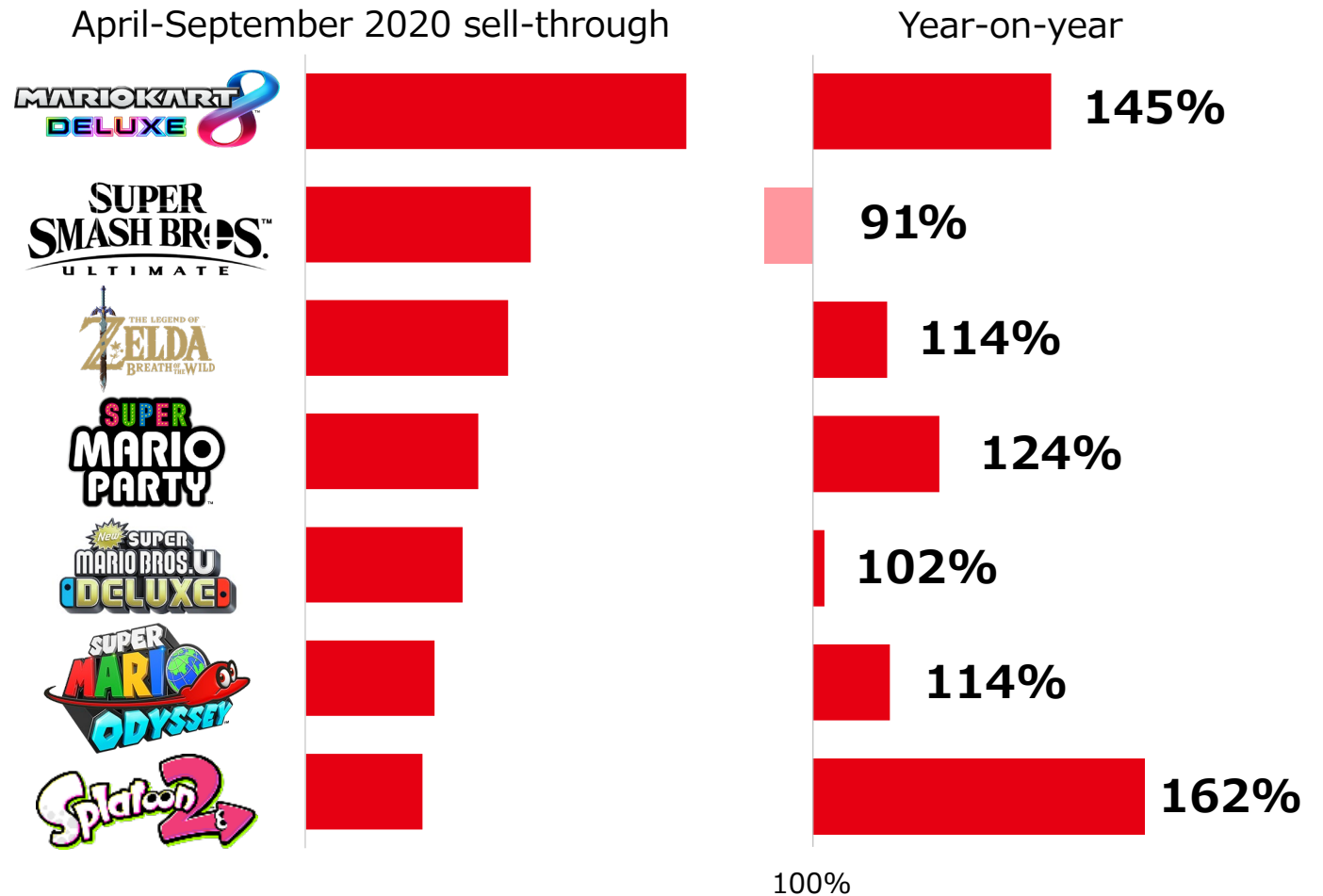


Nintendo Switch First-Party Software Sell-Through (JP/NA/EU)



Sell-through in the 4 weeks after release
over 3.5 million units

Year-on-year sales of software released in or before March 2019



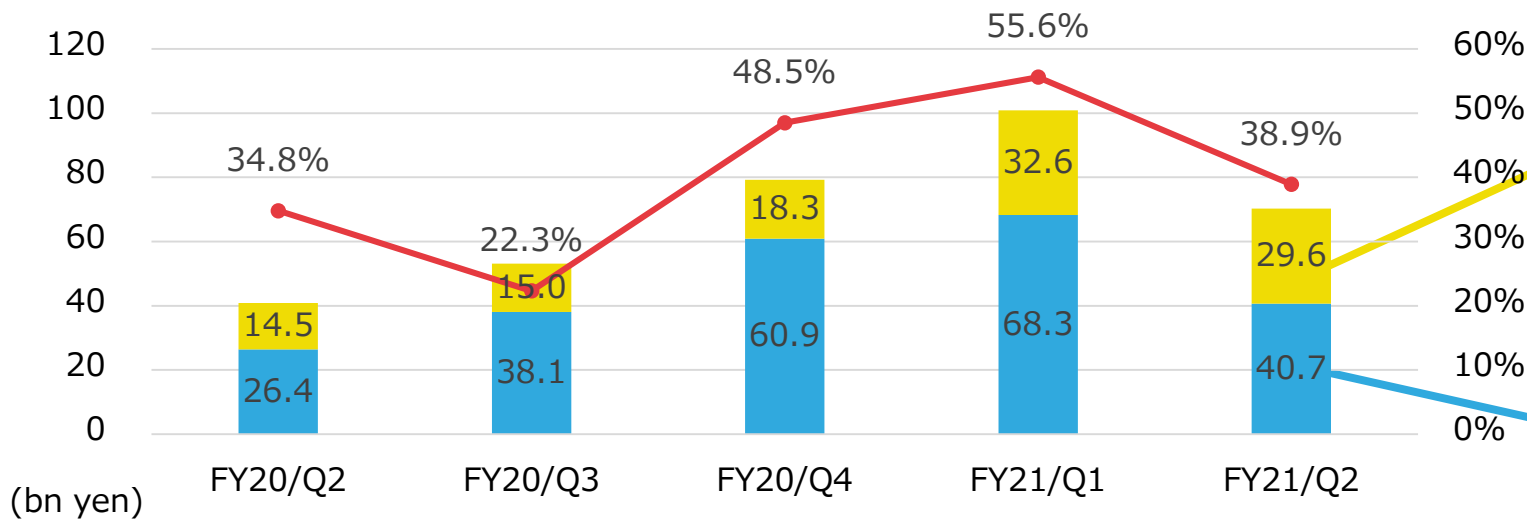
Digital Sales

	FY20/Q1-Q2	FY21/Q1-Q2	Comparison
Digital sales*1	71.6 bn yen	171.5 bn yen	+139.4 %
Proportion of digital sales*2	36.2 %	47.2 %	+11.0 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

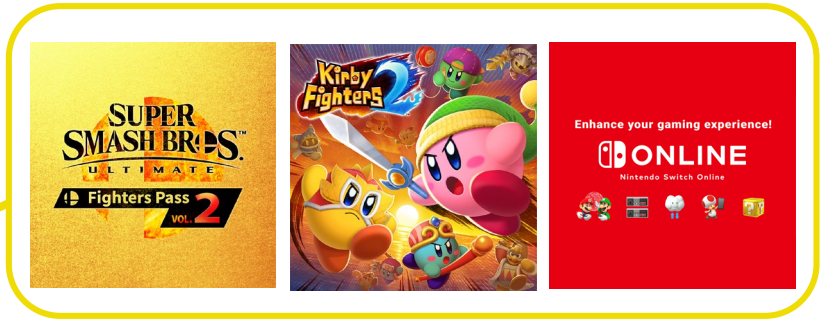
Quarterly Digital Sales Trends



Download-only software, add-on content, and Nintendo Switch Online, etc.

Downloadable versions of packaged software

Proportion of digital sales



Some New Products for Oct.-Dec. 2020 from Nintendo and Other Software Publishers



Mobile, IP Related Income, etc.

	FY20/Q1-Q2	FY21/Q1-Q2	Comparison
Mobile, IP related income, etc.	19.9 bn yen	26.7 bn yen	+33.9 %

*Includes income from smart-device content and royalty income



3. Reference

Million-Seller Nintendo First-Party Titles

units in ten thousands

Nintendo Switch

Animal Crossing: New Horizons
 Super Mario 3D All-Stars
 Mario Kart 8 Deluxe
 Ring Fit Adventure
 Paper Mario: The Origami King
 The Legend of Zelda: Breath of the Wild
 Super Smash Bros. Ultimate
 Super Mario Party
 Clubhouse Games: 51 Worldwide Classics
 New Super Mario Bros. U Deluxe
 Pokémon Sword/Pokémon Shield
 SUPER MARIO ODYSSEY
 Luigi's Mansion 3
 Xenoblade Chronicles Definitive Edition
 Splatoon 2

FY21 (Apr.-Sept. '20)			Life-to-date
Global	including		Global
	Japan	Overseas	
1,427	434	993	2,604
521	75	446	521
421	54	367	2,899
311	91	220	584
282	43	239	282
232	20	212	1,974
226	39	187	2,110
200	23	177	1,210
181	80	101	181
172	11	160	832
165	25	140	1,902
158	7	151	1,899
151	9	142	783
140	30	110	140
113	46	68	1,127

[Note] Software sales units include the quantity bundled with hardware. Software sales units include their downloadable versions.

Key Indicators

Proportion of Overseas Sales

FY21			
Q1	Q2	Q3	Q4
76.3%	78.6%		
77.5%			

FY20			
Q1	Q2	Q3	Q4
76.5%	76.9%	78.6%	74.0%
76.8%			
77.8%			
77.0%			

*Proportion of overseas (outside of Japan) sales to total sales

Proportion of Hardware Sales

FY21			
Q1	Q2	Q3	Q4
47.2%	54.4%		
51.1%			

FY20			
Q1	Q2	Q3	Q4
50.5%	54.9%	57.4%	39.6%
53.2%			
55.6%			
52.2%			

*Proportion of hardware (including accessories) sales to total dedicated video game platform sales

Proportion of First-Party Software Sales

FY21			
Q1	Q2	Q3	Q4
82.5%	81.2%		
81.9%			

FY20			
Q1	Q2	Q3	Q4
74.1%	76.0%	87.4%	85.1%
75.2%			
82.0%			
82.8%			

*Proportion of first-party software sales to total dedicated video game platform software sales

Digital Sales Indicators

Digital Sales

in yen

FY21			
Q1	Q2	Q3	Q4
101.0 bn	70.4 bn		
171.5 bn			

Proportion of Digital Sales

FY21			
Q1	Q2	Q3	Q4
55.6%	38.9%		
47.2%			

Proportion of Downloadable Versions of Packaged Software Sales

FY21			
Q1	Q2	Q3	Q4
67.7%	57.8%		
63.6%			

FY20			
Q1	Q2	Q3	Q4
30.6 bn	40.9 bn	53.2 bn	79.2 bn
71.6 bn			
124.9 bn			
204.1 bn			

FY20			
Q1	Q2	Q3	Q4
38.3%	34.8%	22.3%	48.5%
36.2%			
28.6%			
34.0%			

FY20			
Q1	Q2	Q3	Q4
56.4%	64.5%	71.7%	76.9%
61.0%			
65.6%			
70.0%			

*Digital sales include (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 to total dedicated video game platform software sales

* Proportion of downloadable versions of packaged software sales to total digital sales as indicated on the left: $a/(a+b+c+d)$

Supplementary Information on Our Website

Earnings Releases, etc.

- Earning Releases
- Timely Disclosure of Information, 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)

Top Selling Title Sales Units

- Top selling Nintendo software sales units on an accumulated basis

Financial Results Announcement/IR Events

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

Dedicated Video Game Sales Units

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

Historical Data (Updated at fiscal year-end)

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

*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.

*Information previously available in *Supplementary Information* can be found at the following locations:

- Consolidated Statements of Income Transition → Financial Highlights
- Foreign Currency Transaction Information → Earnings Releases (Others, page 7)

Launch Dates of Primary Nintendo Products by Region (Apr. 2020~Sep. 2020)

Nintendo Switch

Japan		The United States		Europe	
Title	Launch Date	Title	Launch Date	Title	Launch Date
(Software)		(Software)		(Software)	
Xenoblade Chronicles Definitive Edition	5/29/2020	Xenoblade Chronicles Definitive Edition	5/29/2020	Xenoblade Chronicles Definitive Edition	5/29/2020
Clubhouse Games: 51 Worldwide Classics	6/5/2020	Clubhouse Games: 51 Worldwide Classics	6/5/2020	51 Worldwide Games	6/5/2020
Paper Mario: The Origami King	7/17/2020	Paper Mario: The Origami King	7/17/2020	Paper Mario: The Origami King	7/17/2020
Super Mario 3D All-Stars	9/18/2020	Super Mario 3D All-Stars	9/18/2020	Super Mario 3D All-Stars	9/18/2020

[Note] Launch dates may differ within the United States and Europe regions depending on territories or countries.

Launch Schedule of Primary Nintendo Products by Region (extracts: Oct. 2020~)

Nintendo Switch

Japan		The United States		Europe	
Title	Launch Date	Title	Launch Date	Title	Launch Date
(Software)		(Software)		(Software)	
Mario Kart Live: Home Circuit	10/16/2020	Mario Kart Live: Home Circuit	10/16/2020	Mario Kart Live: Home Circuit	10/16/2020
Pikmin 3 Deluxe	10/30/2020	Cadence of Hyrule –		Cadence of Hyrule –	
Buddy Mission BOND	1/29/2021	Crypt of the NecroDancer Featuring The Legend of Zelda **	10/23/2020	Crypt of the NecroDancer Featuring The Legend of Zelda **	10/23/2020
Super Mario 3D World + Bowser's Fury	2/12/2021	Pikmin 3 Deluxe	10/30/2020	Pikmin 3 Deluxe	10/30/2020
Famicom Tantei Club: Kieta Koukeisha	2021	Hyrule Warriors: Age of Calamity **	11/20/2020	Hyrule Warriors: Age of Calamity **	11/20/2020
Famicom Tantei Club: Ushiro ni Tatsu Shoujyo	2021	Fitness Boxing 2: Rhythm & Exercise **	12/4/2020	Fitness Boxing 2: Rhythm & Exercise **	12/4/2020
Bayonetta 3	TBA	Super Mario 3D World + Bowser's Fury	2/12/2021	Super Mario 3D World + Bowser's Fury	2/12/2021
Metroid Prime 4 (temp.)	TBA	BRAVELY DEFAULT II **	2/26/2021	BRAVELY DEFAULT II **	2/26/2021
The sequel to The Legend of Zelda: Breath of the Wild (temp.)	TBA	Bayonetta 3	TBA	Bayonetta 3	TBA
New Pokémon Snap *	TBA	Metroid Prime 4 (temp.)	TBA	Metroid Prime 4 (temp.)	TBA
		The sequel to The Legend of Zelda: Breath of the Wild (temp.)	TBA	The sequel to The Legend of Zelda: Breath of the Wild (temp.)	TBA
		New Pokémon Snap	TBA	New Pokémon Snap	TBA

Others

Japan		The United States		Europe	
Title	Launch Date	Title	Launch Date	Title	Launch Date
Game & Watch: Super Mario Bros.	11/13/2020	Game & Watch: Super Mario Bros.	11/13/2020	Game & Watch: Super Mario Bros.	11/13/2020

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

Launch dates may differ within the United States and Europe regions depending on territories or countries.

*This title is published by The Pokémon Company.

**This title is licensed to be sold as a Nintendo product.

Upcoming Software Publishers' Title Lineup (extracts: Oct. 2020~)

Nintendo Switch

Japan		The United States		Europe	
Title	Publisher	Title	Publisher	Title	Publisher
TAIKO NO TATSUJIN: RHYTHMIC ADVENTURE PACK	BANDAI NAMCO Entertainment	I Am Dead	Annapurna Interactive	I Am Dead	Annapurna Interactive
FAMILY TRAINER	BANDAI NAMCO Entertainment	Need for Speed Hot Pursuit Remastered	Electronic Arts	Need for Speed Hot Pursuit Remastered	Electronic Arts
JACKJEANNE	BROCCOLI	Tropico 6 - Nintendo Switch Edition	Kalypso Media Group	Tropico 6 - Nintendo Switch Edition	Kalypso Media Group
MONSTER HUNTER RISE	CAPCOM	FUSER	NC Interactive	FUSER	NC Interactive
EARTH DEFENSE FORCE: WORLD BROTHERS	D3PUBLISHER	Empire of Sin	Paradox Interactive	Empire of Sin	Paradox Interactive
DERBY STALLION	GAME ADDICT	Torchlight III	Perfect World Entertainment	Torchlight III	Perfect World Entertainment
Fit Boxing 2: Rhythm & Exercise	Imagineer	Sniper Elite 4	Rebellion	Sniper Elite 4	Rebellion
Hyrule Warriors: Age of Calamity	KOEI TECMO GAMES	Puyo Puyo Tetris 2	SEGA	Puyo Puyo Tetris 2	SEGA
Ateiler Ryza 2: Lost Legends & the Secret Fairy	KOEI TECMO GAMES	KINGDOM HEARTS Melody of Memory	Square Enix	KINGDOM HEARTS Melody of Memory	Square Enix
Momotaro Dentetsu - Showa Heisei Reiwa mo teiban! - Sakuna: Of Rice and Ruin	KONAMI	COLLECTION of SaGa FINAL FANTASY LEGEND	Square Enix	COLLECTION of SaGa FINAL FANTASY LEGEND	Square Enix
Rune Factory 5	Marvelous	The Red Lantern	Timberline Studio	The Red Lantern	Timberline Studio
STORY OF SEASONS: Pioneers of Olive Town	Marvelous	Just Dance 2021	Ubisoft	Just Dance 2021	Ubisoft
BRAVELY DEFAULT II	SQUARE ENIX	Immortals Fenyx Rising	Ubisoft	Immortals Fenyx Rising	Ubisoft
KINGDOM HEARTS Melody of Memory	SQUARE ENIX	Röki	United Label	Röki	United Label
		Bakugan: Champions of Vestroia	WB Games	Bakugan: Champions of Vestroia	WB Games
		Sakuna: Of Rice and Ruin	XSEED Games / Marvelous USA	Sakuna: Of Rice and Ruin	Marvelous Europe

[Note] Launch schedules, software names etc. are subject to change.

Launch titles are listed by publisher alphabetically.

This list includes titles that are released as download-only software.