

Outline of consolidated financial results for the nine months ended December 31, 2018

This outline is based on the documents “Earnings Release” and “Supplementary Information about Earnings Release” for the third quarter of the fiscal year ending March 31, 2019.

Briefing of consolidated financial results for the nine months ended December 31, 2018

- Consolidated operating results for the nine months ended December 31, 2017 and 2018

	Nine months ended December 31, 2017	Nine months ended December 31, 2018	Comparison
Net Sales	857.0 billion yen	997.2 billion yen	140.2 billion yen
Gross Profit	326.3 billion yen	409.0 billion yen	82.7 billion yen
(Gross Profit Ratio)	(38.1 %)	(41.0 %)	
Operating Profit	156.4 billion yen	220.0 billion yen	63.5 billion yen
(Operating Profit Ratio)	(18.3 %)	(22.1 %)	
Ordinary Profit	194.5 billion yen	240.2 billion yen	45.7 billion yen
(Ordinary Profit Ratio)	(22.7 %)	(24.1 %)	
Profit Attributable to Owners of Parent	135.1 billion yen	168.7 billion yen	33.6 billion yen
(Profit Attributable to Owners of Parent Ratio)	(15.8 %)	(16.9 %)	

(Net sales)

For Nintendo Switch, titles released in the December quarter became major hits with record sales, which helped invigorate the platform. They are, *Super Mario Party* released in October, at 5.3 million units, *Pokémon: Let's Go, Pikachu!* and *Pokémon: Let's Go, Eevee!* released in November, at 10 million units, and *Super Smash Bros. Ultimate* released in December, at 12.08 million units. In addition, sales of other titles and titles released by other software publishers continued to grow steadily, bringing the total number of million-seller titles during this period to 20, including the titles of other software publishers. During the holiday season, software was a great driver of hardware sales, resulting in hardware sales of 14.49 million units (19.5% increase on a year-on-year basis) and software sales of 94.64 million units (100.9% increase on a year-on-year basis).

Hardware sales of Nintendo 3DS, now in its 8th year since launch, were 2.31 million units sold (60.5% decrease on a year-on-year basis), while 11.08 million software units were sold (64.5% decrease on a year-on-year basis).

Nintendo Entertainment System: NES Classic Edition and Super Nintendo Entertainment System: Super NES Classic Edition recorded total sales of 5.83 million units.

Turning to our digital business for dedicated video game platforms, sales of download version of packaged software, download-only software and add-on content for Nintendo Switch showed especially good growth, bringing digital sales to 84.2 billion yen (95.1% increase on a year-on-year basis).

For smart devices, many consumers around the world enjoy *Dragalia Lost*, which was released during this period, in addition to our previously-released titles. Our smart devices, IP related income was 33.3 billion yen (14.7% increase on a year-on-year basis).

(Gross profit and gross profit ratio)

Gross profit compared to the same period of the previous fiscal year increased by 25.4% to 409.0 billion yen. The gross profit ratio increased by 2.9% compared to the same period of the previous fiscal year. This increase was mainly because the proportion of both software sales and digital sales with higher profits over the total sales increased.

(Operating profit and ordinary profit)

Operating profit was increased by 40.6% to 220.0 billion yen compared to the same period of the previous fiscal year. Ordinary profit totaled to 240.2 billion yen mainly due to an increase in operating profit and interest income attributable to raised interest rates on the U.S. dollar.

Revision of consolidated unit sales forecast for the fiscal year ending March 31, 2019

Consolidated unit sales forecast for this fiscal year issued on April 26, 2018 has been revised based on sales status for the nine months ended December 31, 2018, as well as our future outlook.

	Previous forecast announced on April 26, 2018	Modified forecast announced on January 31, 2019	Comparison
Nintendo Switch Hardware	20.0 million units	17.0 million units	-3.0 million units
Nintendo Switch Software	100.0 million units	110.0 million units	10.0 million units
Nintendo 3DS Hardware	4.0 million units	2.6 million units	-1.4 million units
Nintendo 3DS Software	16.0 million units	13.0 million units	-3.0 million units

※ While projected software volume includes actual posted sales quantity bundled with hardware, it does not include any future bundled software sales.

There are no changes to the consolidated financial forecast issued on April 26, 2018 because the financial forecast, reviewed based on the revised unit sales forecast, is not significantly different.

Forecasts referred to above are based upon management's assumptions with information available at the time the announcement was made and, therefore, involve known and unknown risks and uncertainties. Please note that such risks and uncertainties may cause actual results to be materially different from the forecasts (earnings forecast, dividend forecast and other forecasts).