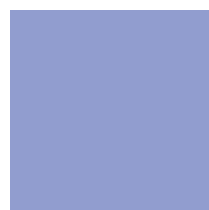
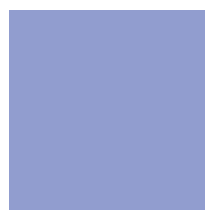
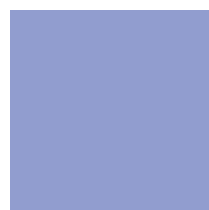
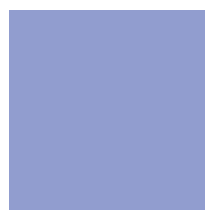
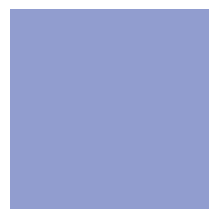
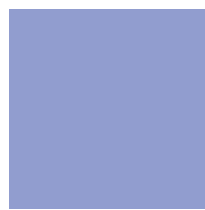
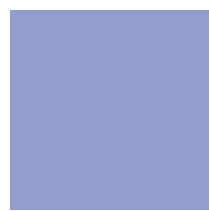
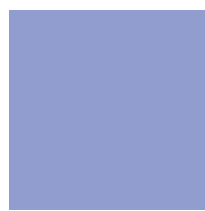
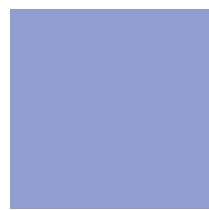
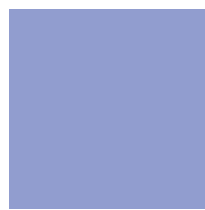




2002 Annual Report
Nintendo Co., Ltd.



Dear Nintendo Shareholders,



Last year Nintendo launched the NINTENDO GAMECUBE and Game Boy Advance hardware systems and, in 2002, Nintendo is committed to expanding the worldwide sales of both products. Nintendo is not only a video game hardware manufacturer but also, with strong software development teams both inside and outside the company, an unparalleled game software publisher with the most respected track record in the world. The incomparable "know-how" we have accumulated throughout our history is manifested in these two new platforms.

We plan to expand the market by providing a variety of unprecedented, irresistible and high quality software titles that take advantage of the unique abilities of our new hardware platforms. This will include the new play style that is made possible by the connectivity between the NINTENDO GAMECUBE and Game Boy Advance.

Sincerely,

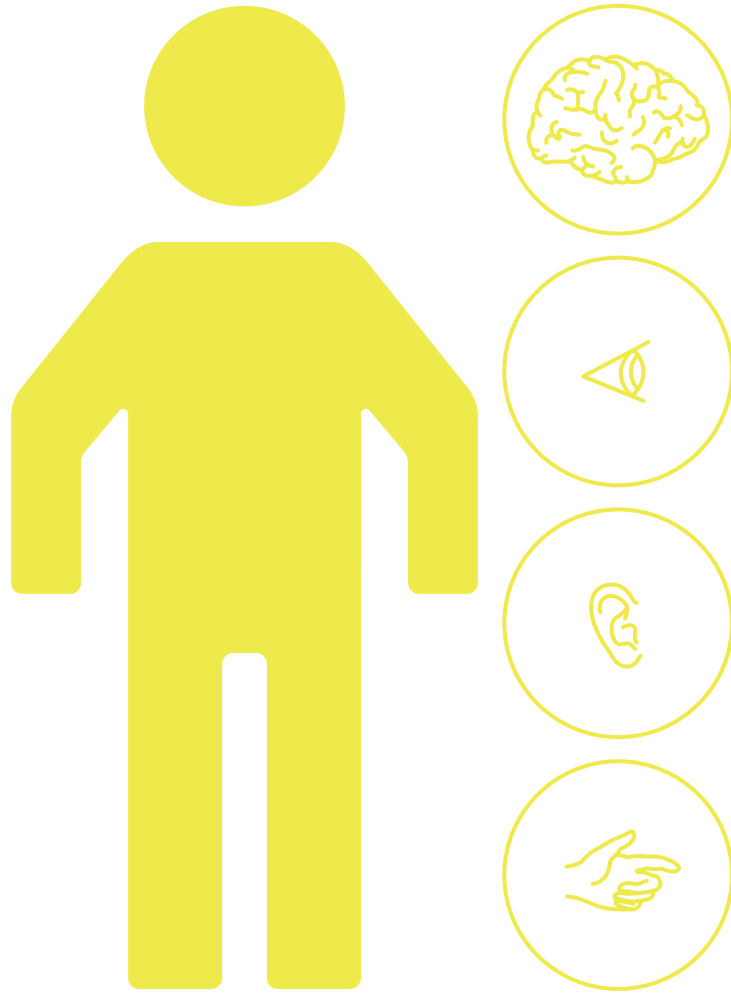
A handwritten signature in black ink that reads "Satoru Iwata". The signature is written in a cursive, flowing style.

Satoru Iwata

President
Nintendo Co., Ltd.



the  difference



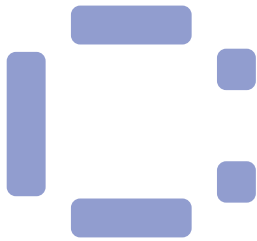


Innovation

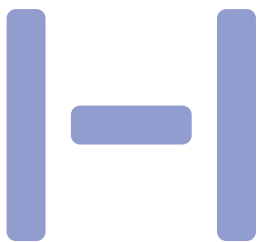


Quality

Why Nintendo Stands Out



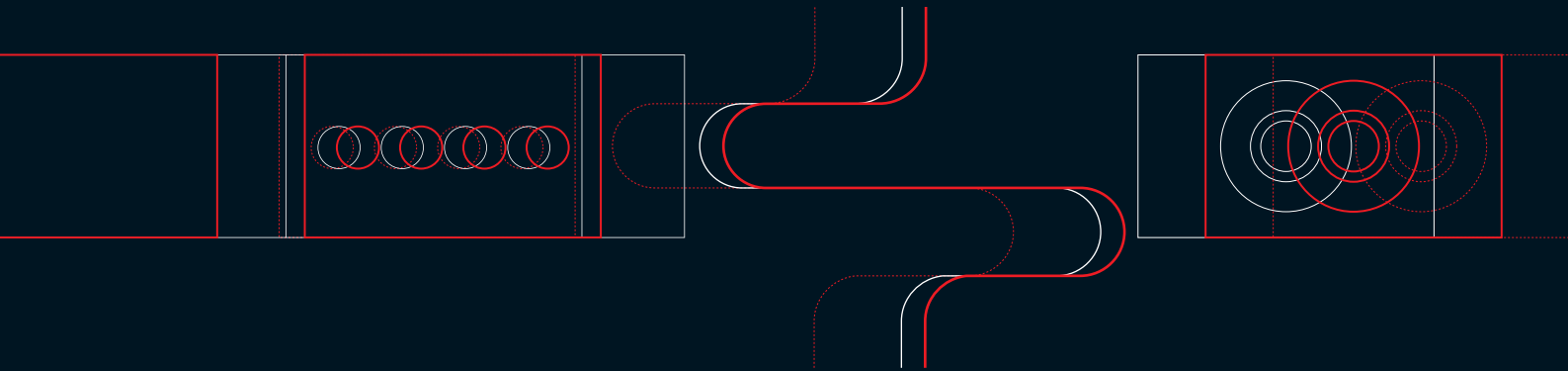
Franchise Characters

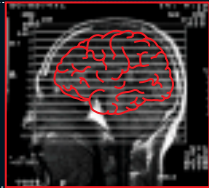
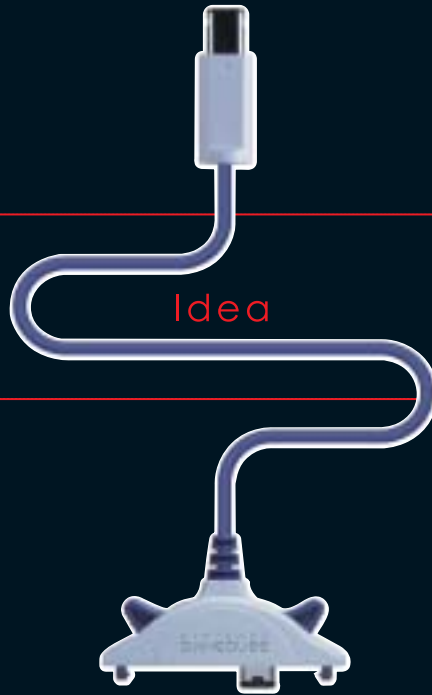


Heritage

Innovation

The ability to dream and to turn those dreams into reality is what makes Nintendo unique. Nintendo continues to challenge the status quo through INNOVATION.

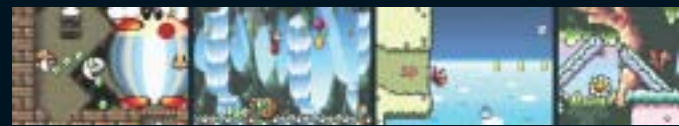
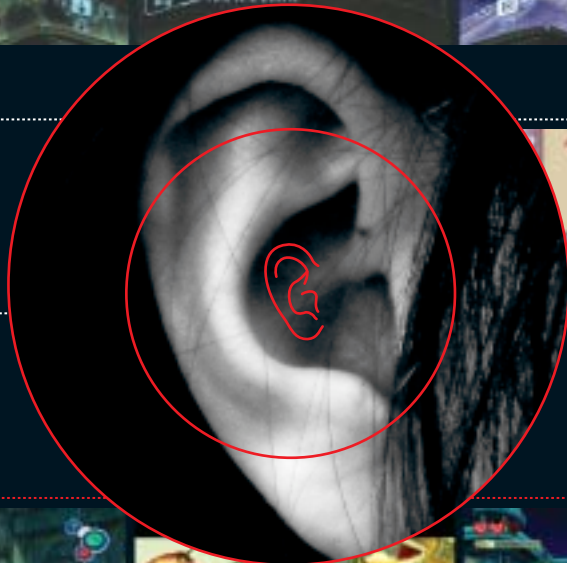






Quality

Software must continue to be the highest QUALITY — we strive for the best and put it into practice. Nintendo employees and partners around the world labor day and night to provide users with a superior gaming experience.



Super Mario Sunshine™



NINTENDO GAMECUBE

Animal Crossing™



The Legend of Zelda®



Metroid® Prime

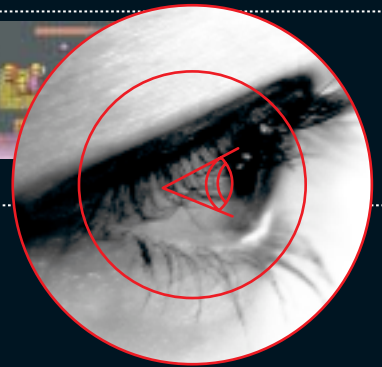


GAMEBOY ADVANCE

The Legend of Zelda GBA®



Yoshi's Island™; Super Mario® Advance 3



Star Fox® Adventures



Franchise Characters

Mario, Kirby, Donkey Kong and Pikmin —————
Nintendo has created numerous FRANCHISE CHARACTERS available in all their splendor exclusively on Nintendo video game systems. Only Nintendo can create an entertainment universe that gives players joy through the adventures of Mario, Zelda, Pikmin and a collection of the most beloved characters in the video game world.





Fox



Samus



Pikachu™



Kirby



Donkey Kong®



Pikmin™



Link

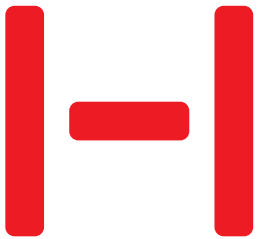


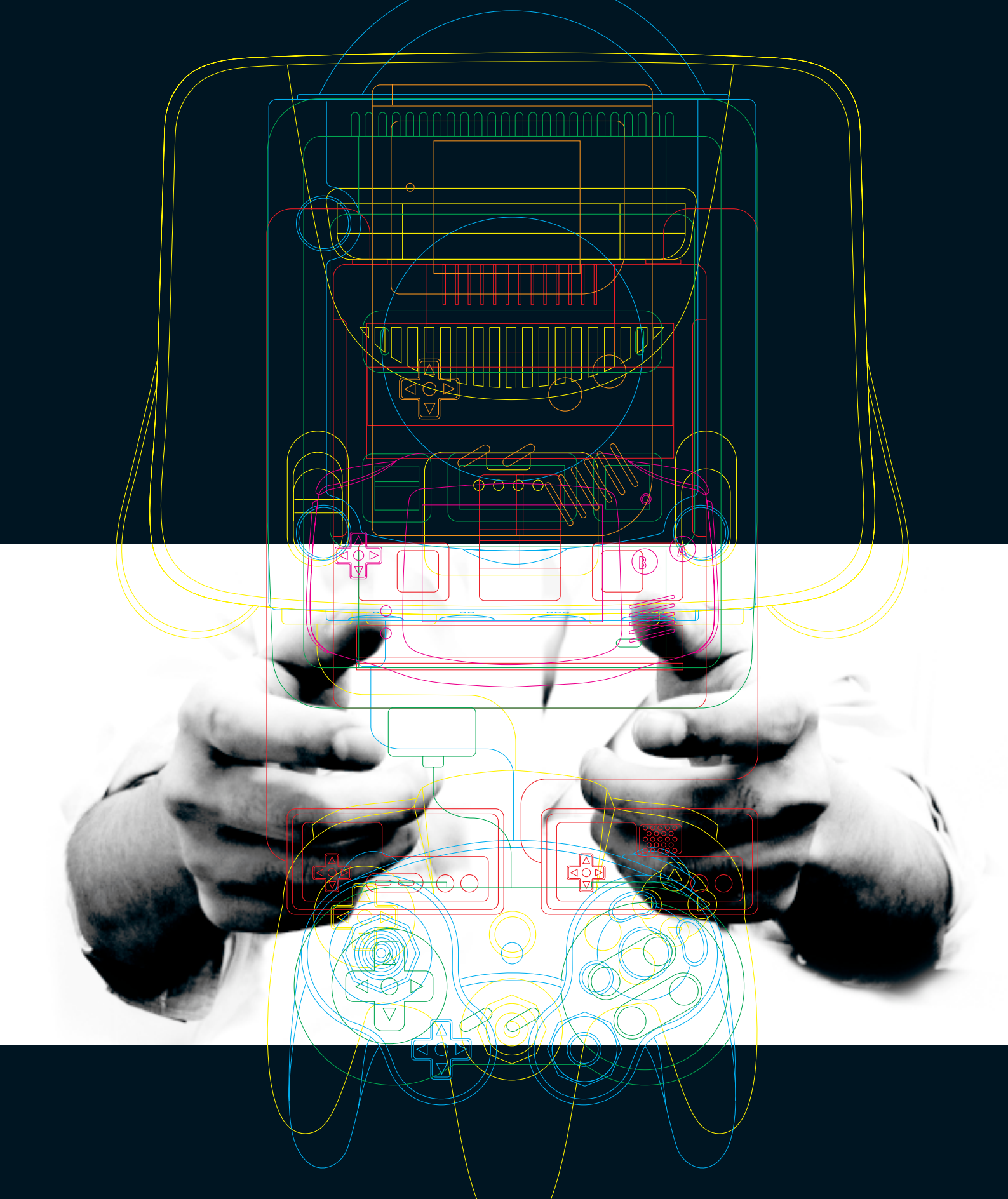
Mario™
& Yoshi™



Heritage

NINTENDO GAMECUBE and Game Boy Advance —————
we believe that Nintendo is second to none in game development. All of Nintendo's products, including the new game systems, have benefited from the HERITAGE Nintendo has passed along since the early 1980's when it recreated the video game market. What we call the "Nintendo DNA" lives within all of our creations, taking Nintendo to new heights as an entertainment company.





Nintendo's Products in 2001

a. Game Boy® Advance



b. NINTENDO GAMECUBE™



c. Pikmin™



d. Super Smash Bros.™ Melee



e. Animal Crossing™



f. e-Reader™



Pikmin ©2001 Nintendo
 Super Mario Sunshine ©2002 Nintendo
 Metroid Prime ©2002 Nintendo
 Animal Crossing ©2002 Nintendo
 The Legend of Zelda ©2002 Nintendo
 The Legend of Zelda GBA ©2002 Nintendo
 Yoshi's Island: Super Mario Advance 3 ©2002 Nintendo
 Star Fox Adventures ©2002 Nintendo Game by RARE, Rareware logo is a trademark of Rare,
 Pokémon Stadium ©1995-2000 Nintendo/Creatures inc./GAME FREAK inc.
 Kirby 64: The Crystal Shards ©2000 HAL Laboratory, Inc./ Nintendo
 Donkey Kong 64 ©1999 Nintendo Game by RARE, Rareware logo is a trademark of Rare,
 Super Smash Bros. Melee ©2001 Nintendo / HAL Laboratory, Inc./
 Characters © Nintendo / HAL Laboratory, Inc./
 Creatures, Inc. / GAME FREAK inc. / APE inc./
 INTELLIGENT SYSTEMS

a. Game Boy® Advance

The Game Boy Advance is designed as a single platform offering the highest level of quality in: game play, communication and portability. In just six months since its launch, more than 10 million Game Boy Advance units have been sold. As the most popular and the best selling entertainment gadget in the world, Game Boy Advance is destined to further pave the way for new types of entertainment.



b. NINTENDO GAMECUBE™

The NINTENDO GAMECUBE is designed to make it easy for game developers to create new forms of entertainment that players can quickly learn and become attached to. Because of this focus, the NINTENDO GAMECUBE is perfectly designed to provide users with unique game play experiences.



c. Pikmin™

"Carrying, fighting, growing, and becoming prey..." — it's not a quote from a nature show, but rather a popular song from the Pikmin television commercial in Japan. You can't help loving and bonding with these mysterious Pikmin creatures who faithfully follow you throughout your game adventures. It's a game unlike anything seen before - it's Pikmin.



d. Super Smash Bros.™ Melee

Hordes of popular Nintendo characters run wild across your screen in this exhilarating smashfest. Super Smash Bros. Melee is more than a sequel to its smash hit predecessor, with worldwide sales topping 5 million units. Super Smash Bros. Melee is an example of Nintendo's ability to make games that appeal to novice and expert gamers alike. Super Smash Bros. Melee will continue to draw people back again and again, long after its release.



e. Animal Crossing™

In Animal Crossing there is no goal to rush after and no stages to clear. Players can enjoy Animal Crossing at any pace they desire. Whether they're exploring their community, meeting with unique neighbors or communicating with real life friends, players will find themselves interacting with this real time communication game day after day. Animal Crossing takes advantage of the unique connection between NINTENDO GAMECUBE and Game Boy Advance, providing a different style of communication and entertainment.



f. G-Reader™

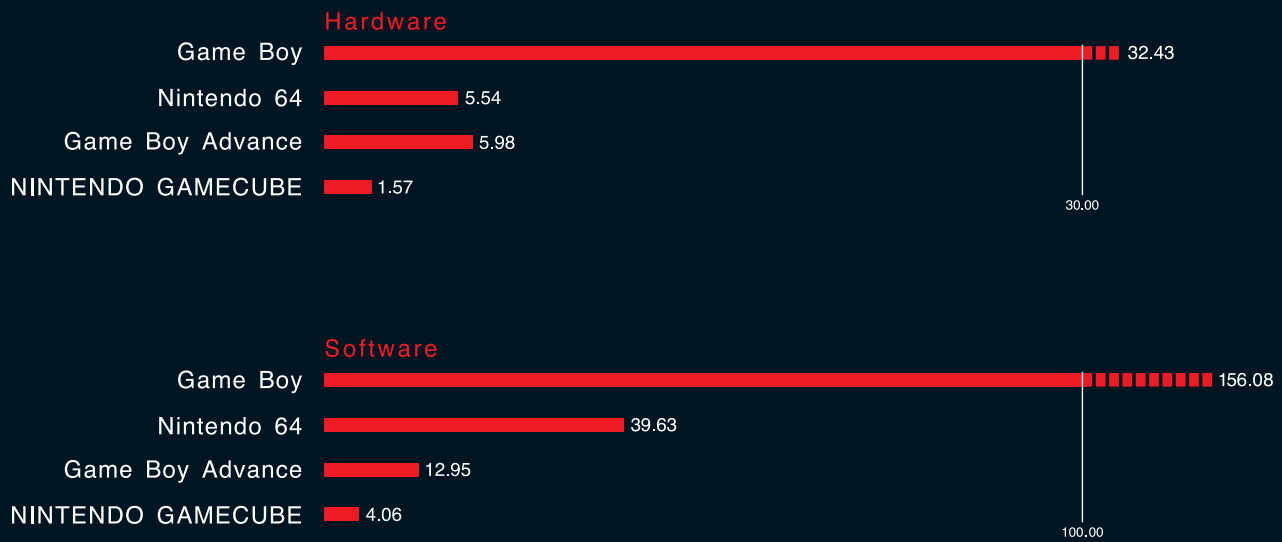
Rather than a game cartridge or optical disc, the G-Reader uses a new medium — specially designed trading cards to open a new entertainment world. Just run the barcode printed on the card through the G-Reader and an unprecedented entertainment world appears on the Game Boy Advance screen.



Cumulative unit sales on consolidated basis

Japan

As of March 31, 2002
Units in Millions



Outside Japan

As of March 31, 2002
Units in Millions



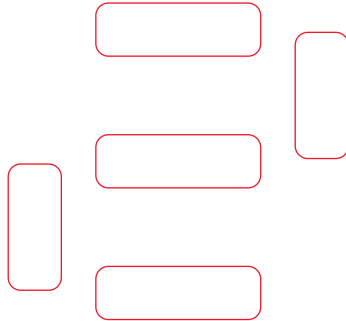
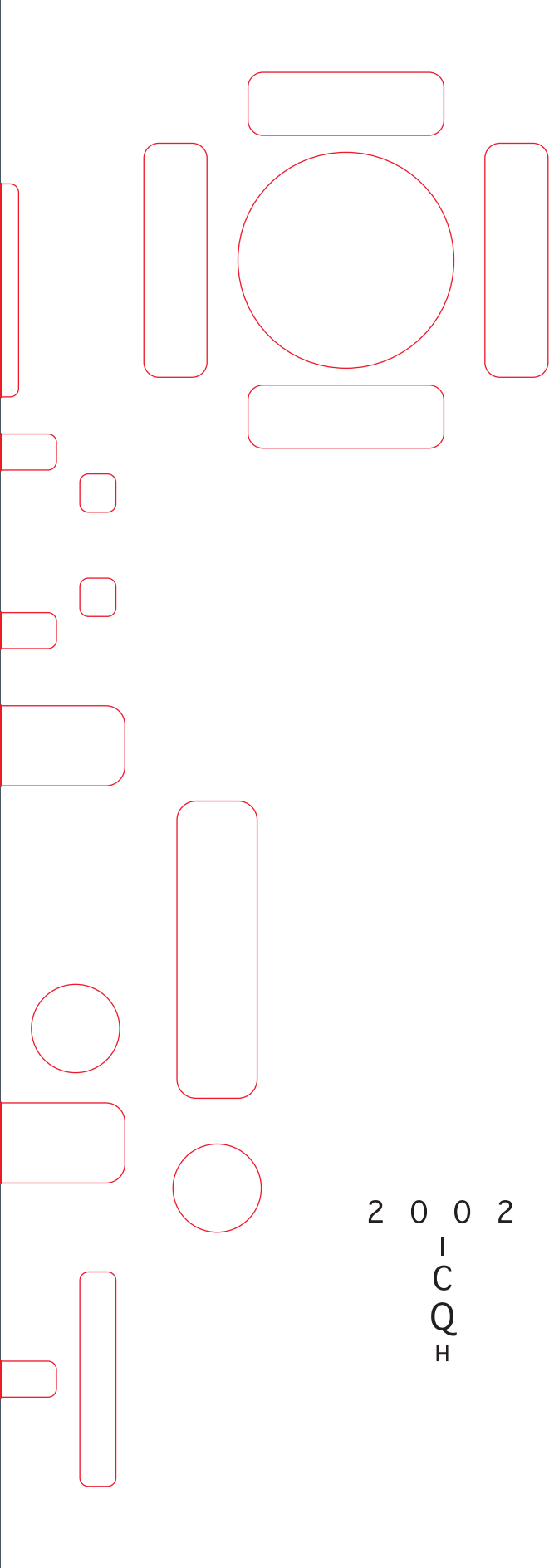
Unit Sales Breakdown Outside Japan

| Hardware | The Americas | Other Regions |
|-------------------|--------------|---------------|
| Game Boy | 44.06 | 41.93 |
| Nintendo 64 | 20.63 | 6.75 |
| Game Boy Advance | 7.57 | 4.61 |
| NINTENDO GAMECUBE | 2.22 | 0.01 |

| Software | The Americas | Other Regions |
|-------------------|--------------|---------------|
| Game Boy | 184.11 | 147.89 |
| Nintendo 64 | 141.64 | 43.02 |
| Game Boy Advance | 23.38 | 13.45 |
| NINTENDO GAMECUBE | 10.27 | 0.03 |



<http://www.nintendo.com>



Financial Review

| | |
|---|----|
| Financial Highlights | 18 |
| Common Stock Information | 19 |
| Analysis of Operations and Financial Review | 20 |
| Five-Year Summary | 22 |
| Report of Independent Accountants | 23 |
| Consolidated Balance Sheets | 24 |
| Consolidated Statements of Income | 26 |
| Consolidated Statements of Shareholders' Equity | 27 |
| Consolidated Statements of Cash Flows | 28 |
| Notes to Consolidated Financial Statements | 29 |

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Financial Highlights

| Years ended March 31, | ¥ Japanese Yen in Millions | | \$ U.S. Dollars in Thousands ^A | |
|-----------------------------------|-------------------------------|-----------|--|-------------|
| | 2002 | 2001 | 2002 | 2001 |
| Net sales | ¥554,413 | ¥462,196 | \$4,168,520 | \$3,475,160 |
| Net income | 106,445 | 96,603 | 800,338 | 726,339 |
| Total assets | 1,156,716 | 1,068,568 | 8,697,110 | 8,034,348 |
| Shareholders' equity | 935,075 | 834,952 | 7,030,642 | 6,277,831 |
| | | | | |
| Years ended March 31, | ¥ Japanese Yen | | \$ U.S. Dollars ^A | |
| 2002 | 2001 | 2002 | 2001 | |
| Amounts per share | | | | |
| Net income^B | ¥751.39 | ¥681.90 | \$5.65 | \$5.13 |
| Cash dividends^C | 140 | 120 | 1.05 | 0.90 |

A: The amounts presented herein are stated in Japanese yen and have been translated into U.S. dollars solely for the convenience of readers outside Japan at the rate of ¥133 to US\$1, the approximate rate of exchange at March 31, 2002.

B: The computations of net income per share of common stock are based on the weighted average number of shares outstanding during each fiscal year.

C: Cash dividends per share represent the amounts applicable to the respective years including dividends to be paid after end of the fiscal year.

Common Stock Information

| Years ended March 31, | ¥ Japanese Yen | | | |
|-----------------------|-------------------|---------|---------|---------|
| | 2002 | | 2001 | |
| | High | Low | High | Low |
| First Quarter | ¥24,900 | ¥18,300 | ¥19,700 | ¥14,500 |
| Second Quarter | 24,540 | 12,970 | 20,210 | 16,760 |
| Third Quarter | 23,650 | 17,000 | 20,000 | 14,520 |
| Fourth Quarter | 23,500 | 18,050 | 22,000 | 16,910 |

| Years ended March 31, | \$ U.S. Dollars ^A | | | |
|-----------------------|---------------------------------|----------|----------|----------|
| | 2002 | | 2001 | |
| | High | Low | High | Low |
| First Quarter | \$187.22 | \$137.59 | \$148.12 | \$109.02 |
| Second Quarter | 184.51 | 97.52 | 151.95 | 126.02 |
| Third Quarter | 177.82 | 127.82 | 150.38 | 109.17 |
| Fourth Quarter | 176.69 | 135.71 | 165.41 | 127.14 |

The preceding table sets forth the high and low sale prices during Fiscal 2002 and 2001 for Nintendo Co., Ltd. common stock, as reported on the Osaka Stock Exchange, Section 1. Nintendo's stock is also traded on the Tokyo Stock Exchange, Section 1.

A: The amounts presented herein are stated in Japanese yen and have been translated into U.S. dollars solely for the convenience of readers outside Japan at the rate of ¥133 to US\$1, the approximate rate of exchange at March 31, 2002.

Analysis of Operations and Financial Review

Overview

During the fiscal year ended March 31, 2002, the world-wide video game industry was impacted by the introduction of next generation hardware and software. In response, retail markets expanded reflecting acceptance of this new technology by consumers. As hardware performance improves, users' expectations increase, as well. During this period, Nintendo Co., Ltd. (the "Company") and its subsidiaries (together with the Company, "Nintendo") successfully launched NINTENDO GAMECUBE and GAME BOY ADVANCE. GAME BOY ADVANCE was launched in the Americas and the European markets, and NINTENDO GAMECUBE was introduced to the Japanese and the Americas markets.

GAME BOY ADVANCE, with an improved CPU and a wide LCD screen, delivers a much sharper picture than its predecessor GAME BOY COLOR. NINTENDO GAMECUBE is not only given enhanced power, but also designed to do what NINTENDO 64 could not do --- providing game creators with easiness to present new and creative ideas in software they write. Nintendo has focused on developing software for these machines that users will find the most innovative and best in the industry.

As a result, the Company reported consolidated net sales of ¥554.4 billion (\$4.2 billion) in the fiscal year ended March 31, 2002. This represents a 20% increase compared with the previous fiscal year. Net sales increased in Japan, the Americas, and Europe. This is mainly due to the release of NINTENDO GAMECUBE in Japan and the Americas, and the release of GAME BOY ADVANCE in Europe. The Company reported net income at ¥106.4 billion (\$800 million) due, in part, to increased sales and margins and foreign exchange gain resulting from the decrease in the yen value against foreign currencies. Net income was a historical record high for the second consecutive year.

Revenue and Expenses

Consumers responded well after the launch of GAME BOY ADVANCE in the Americas and Europe in June 2001. The software titles SUPER MARIO ADVANCE, WARIO LAND 4 and MARIO KART: SUPER CIRCUIT sold more than one million units each. By the end of March 2002, the life-to-date unit sales of GAME BOY ADVANCE hardware exceeded 18 million all over the world.

NINTENDO GAMECUBE, which was launched in Japan in September 2001, and in the Americas in November 2001, also delivered new and exciting interactive software to game players. PIKMIN, which provided a uniquely different game idea, gained popularity. SUPER SMASH BROS. MELEE and LUIGI'S MANSION were extremely popular and provided new gaming elements as well. Each of these titles sold more than one million units. The software title ANIMAL FOREST+ (ANIMAL CROSSING in the United States) which can be played through connecting NINTENDO GAMECUBE and GAME BOY ADVANCE, and CARD-e READER (e-READER in the United States) was released in Japan. It was an automatic hit and a good example of innovation that can provide gamers with a brand new "connectivity" experience. By the end of March 2002, NINTENDO GAMECUBE hardware sold a total of 3.8 million units.

During the fiscal year ended March 31, 2002, gross margin increased by 20% to ¥220.2 billion (\$1.7 billion). The gross margin ratio remained at 40% which is similar to the previous fiscal year. Selling, general and administrative expenses increased slightly to ¥100.6 billion (\$757 million). Operating income increased by 41% to ¥119.6 billion (\$899 million). Both interest income and foreign exchange gain decreased; interest income to ¥22.9 billion (\$172 million) and foreign exchange gain to ¥43.4 billion (\$326 million).

Cash Flow

At March 31, 2002, cash and cash equivalents increased by ¥77.1 billion (\$580 million).

Net cash provided by operating activities was ¥56.2 billion (\$423 million) which was ¥66 billion (\$496 million) less than the previous fiscal year, while net income increased. This was due principally to payments for income taxes.

Net cash used in investing activities was ¥5.1 billion (\$38 million) which was ¥17.9 billion (\$135 million) less than the previous fiscal year. This was due principally to payments for new production facilities.

Net cash used in financing activities consisted almost exclusively of the payment of dividends of ¥17 billion (\$128 million).

After giving effect of exchange rate changes on cash and cash equivalents of ¥43.2 billion (\$324 million), cash and cash equivalents was ¥863.1 billion (\$6.5 billion) at March 31, 2002.

Financial Position

Nintendo's financial position continues to be very strong.

At March 31, 2002, total liabilities were ¥218.6 billion (\$1.6 billion), and the current ratio was 4.89:1. The balance of cash and cash equivalents was 3.95 times total liabilities. Working capital improved by 13% to ¥825.6 billion (\$6.2 billion). Nintendo improved the number of days' sales in receivables to 33 days. Inventories were ¥43.9 billion (\$330 million). The number of days' sales in inventories was 29 days. Liabilities-to-equity ratio was 0.23:1 at March 31, 2002.

Common Stock Activity

The Company's stock price dropped by 4%, ending the year at ¥19,660 (\$147.82), while the Nikkei stock average declined by 15%. The Company increased its annual dividend level by ¥20 (\$0.15) to ¥140 (\$1.05) per share for Fiscal 2002. The dividend payout ratio was approximately 19%. Foreign shareholders constituted 37% of total outstanding shares at March 31, 2002.

Five-Year Summary

| | ¥ Japanese Yen in Millions | | | | |
|--|--|-------------|-------------|-------------|-------------|
| Years ended March 31, | 2002 | 2001 | 2000 | 1999 | 1998 |
| For the period | | | | | |
| Net sales | ¥554,413 | ¥462,196 | ¥530,340 | ¥572,440 | ¥534,325 |
| Income before income taxes and minority interests | 183,023 | 168,652 | 103,074 | 162,220 | 171,753 |
| Net income | 106,445 | 96,603 | 56,061 | 85,817 | 83,697 |
| At the period-end | | | | | |
| Total assets | 1,156,716 | 1,068,568 | 933,374 | 893,374 | 848,607 |
| Property, plant and equipment - net | 66,681 | 64,815 | 63,776 | 62,537 | 59,746 |
| Shareholders' equity | 935,075 | 834,952 | 757,448 | 700,292 | 633,083 |
| | | | | | |
| | ¥ Japanese Yen | | | | |
| Years ended March 31, | 2002 | 2001 | 2000 | 1999 | 1998 |
| Amounts per share | | | | | |
| Net income^B | ¥751.39 | ¥681.90 | ¥395.73 | ¥605.77 | ¥590.80 |
| Cash dividends^C | 140 | 120 | 120 | 120 | 120 |
| | | | | | |
| | \$ U.S. Dollars in Thousands ^A | | | | |
| Years ended March 31, | 2002 | 2001 | 2000 | 1999 | 1998 |
| For the period | | | | | |
| Net sales | \$4,168,520 | \$3,475,160 | \$3,987,518 | \$4,304,057 | \$4,017,480 |
| Income before income taxes and minority interests | 1,376,117 | 1,268,059 | 774,996 | 1,219,703 | 1,291,376 |
| Net income | 800,338 | 726,339 | 421,513 | 645,243 | 629,300 |
| At the period-end | | | | | |
| Total assets | 8,697,110 | 8,034,348 | 7,017,852 | 6,717,096 | 6,380,502 |
| Property, plant and equipment - net | 501,363 | 487,333 | 479,517 | 470,205 | 449,211 |
| Shareholders' equity | 7,030,642 | 6,277,831 | 5,695,101 | 5,265,357 | 4,760,026 |
| | | | | | |
| | \$ U.S. Dollars ^A | | | | |
| Years ended March 31, | 2002 | 2001 | 2000 | 1999 | 1998 |
| Amounts per share | | | | | |
| Net income^B | \$5.65 | \$5.13 | \$2.98 | \$4.55 | \$4.44 |
| Cash dividends^C | 1.05 | 0.90 | 0.90 | 0.90 | 0.90 |

A: The amounts presented herein are stated in Japanese yen and have been translated into U.S. dollars solely for the convenience of readers outside Japan at the rate of ¥133 to US\$1, the approximate rate of exchange at March 31, 2002.

B: The computations of net income per share of common stock are based on the weighted average number of shares outstanding during each fiscal year.

C: Cash dividends per share represent the amounts applicable to the respective years including dividends to be paid after end of the fiscal year.

Report of Independent Accountants

The Board of Directors Nintendo Co., Ltd.

We have audited the accompanying consolidated balance sheets of Nintendo Co., Ltd. and its consolidated subsidiaries as of March 31, 2002 and 2001, and the related consolidated statements of income, shareholders' equity, and cash flows for the years then ended, all expressed in Japanese Yen. Our audits were made in accordance with auditing standards, procedures and practices generally accepted and applied in Japan and, accordingly, included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the consolidated financial statements referred to above present fairly the consolidated financial position of Nintendo Co., Ltd. and its consolidated subsidiaries as of March 31, 2002 and 2001, and the consolidated results of their operations and their cash flows for the years then ended in conformity with accounting principles and practices generally accepted in Japan (see Note 1) applied on a consistent basis.

The amounts expressed in U.S. dollars, which are provided solely for the convenience of the reader, have been translated on the basis set forth in Note 1 to the accompanying consolidated financial statements.

A handwritten signature in black ink that reads "ChuoAoyama Audit Corporation". The signature is written in a cursive, flowing style.

ChuoAoyama Audit Corporation
Kyoto, Japan
June 27, 2002

Consolidated Balance Sheets

| As of March 31, | ¥ Japanese Yen in Millions | | \$ U.S. Dollars in Thousands (Note 1) | |
|--|-------------------------------|-------------------|--|--------------------|
| | 2002 | 2001 | 2002 | 2001 |
| Assets | | | | |
| Current Assets | | | | |
| Cash and cash equivalents | ¥863,116 | ¥785,992 | \$6,489,596 | \$5,909,716 |
| Short-term investments | 41,540 | 52,033 | 312,330 | 391,228 |
| Receivables - | | | | |
| Notes and trade accounts receivable | 45,861 | 54,716 | 344,822 | 411,397 |
| Allowance for doubtful accounts | (6,252) | (5,672) | (47,004) | (42,644) |
| Inventories (Note 5) | 43,869 | 22,560 | 329,840 | 169,625 |
| Deferred income taxes (Note 8) | 34,467 | 34,767 | 259,151 | 261,405 |
| Other current assets | 15,169 | 13,850 | 114,047 | 104,127 |
| Total current assets | 1,037,770 | 958,246 | 7,802,782 | 7,204,854 |
| Property, Plant and Equipment | | | | |
| Land | 35,045 | 34,612 | 263,498 | 260,243 |
| Buildings and structures | 42,888 | 40,490 | 322,464 | 304,434 |
| Machinery, equipment and automobiles | 22,277 | 19,737 | 167,497 | 148,400 |
| Construction in progress | 1 | 29 | 10 | 218 |
| Total | 100,211 | 94,868 | 753,469 | 713,295 |
| Accumulated depreciation | (33,530) | (30,053) | (252,106) | (225,962) |
| Property, plant and equipment - net | 66,681 | 64,815 | 501,363 | 487,333 |
| Investments and Other Assets | | | | |
| Investments in securities (Note 3) | 32,590 | 28,472 | 245,036 | 214,075 |
| Deferred income taxes - non-current (Note 8) | 12,497 | 14,641 | 93,961 | 110,082 |
| Other assets | 7,178 | 2,394 | 53,968 | 18,004 |
| Total investments and other assets | 52,265 | 45,507 | 392,965 | 342,161 |
| Total | ¥1,156,716 | ¥1,068,568 | \$8,697,110 | \$8,034,348 |

See notes to consolidated financial statements.

| As of March 31, | ¥ Japanese Yen in Millions | | \$ U.S. Dollars in Thousands (Note 1) | |
|---|-------------------------------|-------------------|--|--------------------|
| | 2002 | 2001 | 2002 | 2001 |
| Liabilities and Shareholders' Equity | | | | |
| Current Liabilities | | | | |
| Notes and trade accounts payable | ¥139,340 | ¥105,953 | \$1,047,671 | \$796,637 |
| Accrued income taxes | 30,377 | 65,074 | 228,396 | 489,281 |
| Other current liabilities | 42,491 | 53,726 | 319,482 | 403,956 |
| Total current liabilities | 212,208 | 224,753 | 1,595,549 | 1,689,874 |
| Non-current Liabilities | | | | |
| Non-current accounts payable | 300 | 418 | 2,254 | 3,144 |
| Reserve for employee retirement and severance benefits (Note 6) | 4,417 | 4,017 | 33,207 | 30,203 |
| Reserve for directors retirement and severance benefits | 1,687 | 1,581 | 12,686 | 11,891 |
| Total non-current liabilities | 6,404 | 6,016 | 48,147 | 45,238 |
| Minority Interests | 3,029 | 2,847 | 22,772 | 21,405 |
| Contingencies (Note 10) | | | | |
| Shareholders' Equity | | | | |
| Common stock | | | | |
| Authorized - 400,000,000 shares | | | | |
| Issued and outstanding - 141,669,000 shares | 10,065 | 10,065 | 75,680 | 75,680 |
| Additional paid-in capital | 11,584 | 11,584 | 87,100 | 87,100 |
| Retained earnings | 904,733 | 815,458 | 6,802,502 | 6,131,262 |
| Unrealized gains on other securities (Note 3) | 3,848 | 2,438 | 28,933 | 18,334 |
| Translation adjustments | 5,026 | (4,576) | 37,785 | (34,418) |
| Total | 935,256 | 834,969 | 7,032,000 | 6,277,958 |
| Treasury stock, at cost | (181) | (17) | (1,358) | (127) |
| Total shareholders' equity | 935,075 | 834,952 | 7,030,642 | 6,277,831 |
| Total | ¥1,156,716 | ¥1,068,568 | \$8,697,110 | \$8,034,348 |

See notes to consolidated financial statements.

Consolidated Statements of Income

| Years ended March 31, | ¥ Japanese Yen in Millions | | \$ U.S. Dollars in Thousands (Note1) | |
|--|-------------------------------|----------|---|-------------|
| | 2002 | 2001 | 2002 | 2001 |
| Net sales | ¥554,413 | ¥462,196 | \$4,168,520 | \$3,475,160 |
| Cost of sales (Notes 5 and 7) | 334,187 | 278,090 | 2,512,683 | 2,090,902 |
| Gross margin | 220,226 | 184,106 | 1,655,837 | 1,384,258 |
| Selling, general and administrative expenses (Note 7) | 100,619 | 99,190 | 756,537 | 745,793 |
| Operating income | 119,607 | 84,916 | 899,300 | 638,465 |
| Other income (expenses) | | | | |
| Interest income | 22,905 | 39,134 | 172,216 | 294,239 |
| Foreign exchange gain (loss) - net | 43,419 | 66,335 | 326,462 | 498,761 |
| Unrealized loss on investments in securities (Note 3) | (4,458) | (13,562) | (33,520) | (101,972) |
| Other - net | 1,550 | (8,171) | 11,659 | (61,434) |
| Income before income taxes and minority interests | 183,023 | 168,652 | 1,376,117 | 1,268,059 |
| Income taxes (Note 8) | | | | |
| Current | 74,351 | 93,710 | 559,035 | 704,588 |
| Deferred | 2,446 | (21,358) | 18,388 | (160,587) |
| Total income taxes | 76,797 | 72,352 | 577,423 | 544,001 |
| Minority interests | (219) | (303) | (1,644) | (2,281) |
| Net income | ¥106,445 | ¥96,603 | \$800,338 | \$726,339 |
| Amounts per share | | | | |
| Net income (Note 2L) | ¥751.39 | ¥681.90 | \$5.65 | \$5.13 |
| Cash dividends (Note 2L) | 140 | 120 | 1.05 | 0.90 |

See notes to consolidated financial statements.

Consolidated Statements of Shareholders' Equity

| Years ended March 31, 2002 and 2001 | ¥ Japanese Yen in Millions | | | | | | |
|--|--------------------------------------|--------------|----------------------------|-------------------|--------------------------------------|-------------------------|------------------------|
| | Number of common shares in thousands | Common stock | Additional paid-in capital | Retained earnings | Unrealized gains on other securities | Translation adjustments | Treasury stock at cost |
| Balance, April 1, 2000 | 141,669 | ¥10,065 | ¥11,584 | ¥735,850 | - | - | ¥(51) |
| Net income | | | | 96,603 | | | |
| Cash dividends | | | | (17,000) | | | |
| Directors' bonuses | | | | (170) | | | |
| Adjustment of retained earnings for an affiliate newly accounted for by the equity method | | | | 175 | | | |
| Unrealized gains on other securities | | | | | ¥2,438 | | |
| Translation adjustments | | | | | | ¥(4,576) | |
| Net changes in treasury stock | | | | | | | 34 |
| Balance, March 31, 2001 | 141,669 | 10,065 | 11,584 | 815,458 | 2,438 | (4,576) | (17) |
| Net income | | | | 106,445 | | | |
| Cash dividends | | | | (17,000) | | | |
| Directors' bonuses | | | | (170) | | | |
| Unrealized gains on other securities | | | | | 1,410 | | |
| Translation adjustments | | | | | | 9,602 | |
| Net changes in treasury stock | | | | | | | (164) |
| Balance, March 31, 2002 | 141,669 | ¥10,065 | ¥11,584 | ¥904,733 | ¥3,848 | ¥5,026 | ¥(181) |

| Years ended March 31, 2002 and 2001 | \$ U.S. Dollars in Thousands (Note1) | | | | | | |
|--|---|----------------------------|-------------------|--------------------------------------|-------------------------|------------------------|--|
| | Common stock | Additional paid-in capital | Retained earnings | Unrealized gains on other securities | Translation adjustments | Treasury stock at cost | |
| Balance, April 1, 2000 | \$75,680 | \$87,100 | \$5,532,709 | - | - | \$(387) | |
| Net income | | | 726,339 | | | | |
| Cash dividends | | | (127,820) | | | | |
| Directors' bonuses | | | (1,278) | | | | |
| Adjustment of retained earnings for an affiliate newly accounted for by the equity method | | | 1,312 | | | | |
| Unrealized gains on other securities | | | | \$18,334 | | | |
| Translation adjustments | | | | | \$(34,418) | | |
| Net changes in treasury stock | | | | | | 260 | |
| Balance, March 31, 2001 | 75,680 | 87,100 | 6,131,262 | 18,334 | (34,418) | (127) | |
| Net income | | | 800,338 | | | | |
| Cash dividends | | | (127,820) | | | | |
| Directors' bonuses | | | (1,278) | | | | |
| Unrealized gains on other securities | | | | 10,599 | | | |
| Translation adjustments | | | | | 72,203 | | |
| Net changes in treasury stock | | | | | | (1,231) | |
| Balance, March 31, 2002 | \$75,680 | \$87,100 | \$6,802,502 | \$28,933 | \$37,785 | \$(1,358) | |

See notes to consolidated financial statements.

Consolidated Statements of Cash Flows

| Years ended March 31, | ¥ Japanese Yen in Millions | | \$ U.S. Dollars in Thousands (Note 1) | |
|--|---|-----------------|--|--------------------|
| | 2002 | 2001 | 2002 | 2001 |
| | Cash Flows from Operating Activities | | | |
| Reconciliation of Net income to Net cash provided by operating activities | | | | |
| Net income | ¥106,445 | ¥96,603 | \$800,338 | \$726,339 |
| Depreciation and amortization | 5,639 | 4,537 | 42,399 | 34,113 |
| Increase in allowance for doubtful accounts | 249 | 1,077 | 1,870 | 8,099 |
| Increase in reserve for employee retirement and severance benefits | 214 | 3,776 | 1,607 | 28,391 |
| Deferred income taxes | 2,446 | (21,358) | 18,388 | (160,587) |
| Foreign exchange losses (gains) | (42,093) | (66,563) | (316,492) | (500,476) |
| Unrealized loss on investments in securities | 4,458 | 13,562 | 33,520 | 101,972 |
| Unrealized loss on land | - | 5,988 | - | 45,024 |
| Decrease in notes and trade accounts receivable | 10,983 | 25,649 | 82,579 | 192,846 |
| Decrease (increase) in inventories | (21,309) | 9,701 | (160,216) | 72,941 |
| Increase (decrease) in notes and trade accounts payable | 22,189 | (5,027) | 166,839 | (37,799) |
| Increase (decrease) in accrued income taxes | (35,422) | 43,235 | (266,330) | 325,071 |
| Other, net | 2,435 | 11,055 | 18,313 | 83,124 |
| Net cash provided by operating activities | 56,234 | 122,235 | 422,815 | 919,058 |
| Cash Flows from Investing Activities | | | | |
| Payments for short-term investments | (200,706) | (193,777) | (1,509,068) | (1,456,970) |
| Proceeds from short-term investments | 214,259 | 223,478 | 1,610,971 | 1,680,286 |
| Payments for purchase of property, plant and equipment | (13,096) | (10,836) | (98,467) | (81,476) |
| Payments for investments in securities | (24,033) | (6,006) | (180,699) | (45,155) |
| Proceeds from investments in securities | 17,968 | 1,001 | 135,098 | 7,528 |
| Other, net | 490 | (1,083) | 3,685 | (8,145) |
| Net cash provided by (used in) investing activities | (5,118) | 12,777 | (38,480) | 96,068 |
| Cash Flows from Financing Activities | | | | |
| Proceeds from stock issued to minority interests | 5 | 502 | 38 | 3,773 |
| Payments for purchase of treasury stock | (270) | (230) | (2,030) | (1,729) |
| Proceeds from sale of treasury stock | 113 | 266 | 851 | 2,000 |
| Cash dividends paid | (16,995) | (16,989) | (127,781) | (127,737) |
| Net cash used in financing activities | (17,147) | (16,451) | (128,922) | (123,693) |
| Effect of exchange rate changes on cash and cash equivalents | 43,155 | 73,369 | 324,467 | 551,648 |
| Net increase of cash and cash equivalents | 77,124 | 191,930 | 579,880 | 1,443,081 |
| Cash and cash equivalents at beginning of year | 785,992 | 594,062 | 5,909,716 | 4,466,635 |
| Cash and cash equivalents at end of year | ¥863,116 | ¥785,992 | \$6,489,596 | \$5,909,716 |
| Additional Cash Flow Information | | | | |
| Interest paid | ¥ 0 | ¥ 1 | \$ 3 | \$ 7 |
| Income taxes paid | 109,774 | 50,476 | 825,365 | 379,517 |

See notes to consolidated financial statements.

Notes to Consolidated Financial Statements

Years ended March 31, 2002 and 2001

Note 1. Basis of Presenting Consolidated Financial Statements

The accompanying consolidated financial statements are prepared from the consolidated financial statements issued in Japan for domestic reporting purposes. Nintendo Co., Ltd. (the "Company") and its subsidiaries in Japan maintain their accounts and records in accordance with the provisions set forth in the Japanese Commercial Code and the Securities and Exchange Law, and in conformity with generally accepted accounting principles and practices in Japan, which are different in certain respects from the application and disclosure requirements of International Accounting Standards. Its overseas consolidated subsidiaries maintain their accounts in conformity with the generally accepted accounting principles and practices prevailing in the respective countries of domicile and no adjustment has been made to their financial statements in consolidation, as allowed under accounting principles and practices generally accepted in Japan.

The consolidated financial statements are not intended to present the consolidated financial position, results of operations and cash flows in accordance with accounting principles and practices generally accepted in countries and jurisdictions other than Japan.

In preparing the accompanying consolidated financial statements, certain reclassifications have been made to the consolidated financial statements issued domestically in order to present them in a form which is more familiar to readers outside Japan.

The consolidated financial statements presented herein are stated in Japanese yen, the currency of the country in which the Company is incorporated and operates. The translations of Japanese yen amounts into U.S. dollar amounts are included solely for the convenience of readers outside Japan and have been made at the rate of ¥133 to US\$1, the approximate rate of exchange at March 31, 2002. These translations should not be construed as representations that the Japanese yen amounts have been, could have been or could in the future be, converted into U.S. dollars at this or any other rate of exchange.

Note 2. Significant Accounting Policies

A. Principles of Consolidation

The accompanying consolidated financial statements include the accounts of the Company and all subsidiaries (total 24 both in 2002 and 2001) except for two. The equity method of accounting has been applied to one of the non-consolidated subsidiaries and to all affiliates (total 14 in 2002 and 16 in 2001) except for two. The remaining subsidiary and affiliates are immaterial and their respective investments are carried at cost in the accompanying consolidated balance sheets.

The principal consolidated subsidiaries and the principal affiliate for which the equity method of accounting was used for the year ended March 31, 2002 were as follows:

| Consolidated subsidiaries | |
|---------------------------|------------------------------|
| Nintendo of America Inc. | Nintendo Australia Pty. Ltd. |
| Nintendo Benelux B.V. | Nintendo of Canada Ltd. |
| Nintendo España, S.A. | Nintendo of Europe GmbH |
| Nintendo France S.A.R.L. | |
| Affiliate | |
| The Pokémon Company | |

Investment costs in excess of underlying net assets of consolidated subsidiaries and affiliates acquired are charged to income for the year as incurred.

All significant intercompany transactions, accounts and unrealized profits have been eliminated in consolidation. The amounts of certain subsidiaries have been included on the basis of fiscal periods ended within three months prior to March 31.

Notes to Consolidated Financial Statements

Years ended March 31, 2002 and 2001

B. Translation of Foreign Currency Items

In accordance with the Japanese accounting standard, short-term and long-term monetary receivables and payables denominated in foreign currencies are translated into Japanese yen at the exchange rate in effect at the balance sheet date. The foreign exchange gains and losses from translation are recognized in the statements of income to the extent that they are not hedged by forward exchange contracts.

With respect to financial statements of overseas subsidiaries, the balance sheet accounts are translated into Japanese yen at the exchange rates in effect at the balance sheet date except for shareholders' equity, which are translated at the historical rates. The average exchange rates for the fiscal period are used for translation of revenue and expenses. The differences resulting from translation in this manner are included in "Minority Interests" and "Translation adjustments" which are listed in Shareholders' Equity in the accompanying consolidated balance sheets.

C. Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, time deposit with an original maturity of three months or less, which can be withdrawn on demand and certain investments. Investments are defined as those that are easily accessible, with little risk of fluctuation in value and the maturity date is within three months of the acquisition date.

D. Financial Instruments

Derivatives

All derivatives are stated at fair value, with changes in fair value included in net profit or loss for the period in which they arise.

Securities

Securities are classified into four categories as follows.

Trading securities, which are held for the purpose of generating profits on short-term differences in prices, are stated at fair value, with changes in fair value included in net profit or loss for the period in which they arise.

Held-to-maturity debt securities are stated at cost after accounting for premium or discount on acquisition, which is amortized over the period to maturity.

Equity securities of non-consolidated subsidiaries and affiliated companies with equity method non-applied are stated at cost.

Other securities for which market quotations are available are stated at fair value. Unrealized gains on other securities are reported as "Unrealized gains on other securities" in Shareholders' Equity at a net-of-tax amount, while unrealized losses on other securities are included in net profit or loss for the period.

Other securities for which market quotations are unavailable are stated at cost, determined by the moving average method except as stated in the paragraph below.

In case where the fair value of held-to-maturity debt securities, equity securities issued by non-consolidated subsidiaries and affiliates, or other securities has declined significantly and such impairment of the value is not deemed temporary, those securities are written down to the fair value and the resulting losses are included in net profit or loss for the period.

Under the Japanese accounting standard, trading securities and debt securities due within one year are presented as "current" and all the other securities are presented as "non-current."

E. Inventories

Inventories are stated at the lower of cost, determined by the moving average method, or market.

F. Property, Plant and Equipment

Property, plant and equipment are stated at cost. The Company and its consolidated subsidiaries in Japan compute depreciation by the declining balance method over the estimated useful lives. The straight-line method of depreciation is used for buildings, except for structures, acquired on or after April 1, 1998. Overseas consolidated subsidiaries compute depreciation of assets by applying the straight-line method over the period of estimated useful lives. Estimated useful lives of the principal assets are as follows:

Buildings and structures: 3 to 60 years

G. Income Taxes

Deferred income taxes are recorded to reflect the impact of temporary differences between assets and liabilities recognized for financial reporting purposes and such amounts recognized for tax purposes. These deferred taxes are measured by applying currently enacted tax laws to the temporary differences.

H. Retirement and Severance Benefits and Pension Plan

The Company and certain consolidated subsidiaries are calculating the reserve for employee retirement and severance benefits with actuarially calculated amounts on the basis of the cost of retirement benefit and plan assets at end of fiscal year. Benefits under the plan are generally based on the current rate of base salary, length of service and certain other factors when the termination occurs.

Directors and corporate auditors customarily receive lump-sum payments upon termination of their services subject to shareholders' approval. The Company provides for the reserve for lump-sum severance benefits for directors and corporate auditors at the estimated amount required if all retired at the fiscal year-end.

I. Research and Development and Computer Software

Expenses relating to research and development activities are charged to income as incurred. Computer software for the internal use included in other assets is amortized using the straight-line method over the estimated useful lives.

J. Leases

All leases are accounted for as operating leases. Under Japanese accounting standards for leases, finance leases that are deemed to transfer ownership of the leased assets to the lessee are to be capitalized, while other finance leases are permitted to be accounted for as operating lease transactions if certain "as if capitalized" information is disclosed in the notes to the lessee's financial statements.

K. Appropriations of Retained Earnings

Appropriations of retained earnings are reflected in the consolidated financial statements for the following year upon shareholders' approval.

L. Amounts Per Share

The computations of net income per share of common stock are based on the weighted average number of shares outstanding during each fiscal year.

Cash dividends per share represent the amounts applicable to the respective years including dividends to be paid after end of the fiscal year.

Notes to Consolidated Financial Statements

Years ended March 31, 2002 and 2001

Note 3. Market Value Information on Securities

Other securities with market value included in Investments in securities as of March 31, 2002 and 2001 were as follows:

| | ¥ Japanese Yen in Millions | | | |
|--------------------------|--|------------------------------|-------------------------------|------------|
| | Cost | Gross unrealized gains | Gross unrealized losses | Fair value |
| As of March 31, 2002 | | | | |
| Equity securities | ¥13,848 | ¥6,635 | ¥122 | ¥20,361 |
| Total | ¥13,848 | ¥6,635 | ¥122 | ¥20,361 |
| | | | | |
| | ¥ Japanese Yen in Millions | | | |
| | Cost | Gross unrealized gains | Gross unrealized losses | Fair value |
| As of March 31, 2001 | | | | |
| Equity securities | ¥5,142 | ¥4,204 | ¥309 | ¥9,037 |
| Bonds | 25,508 | - | 12,409 | 13,099 |
| Total | ¥30,650 | ¥4,204 | ¥12,718 | ¥22,136 |
| | | | | |
| | \$ U.S. Dollars in Thousands (Note 1) | | | |
| | Cost | Gross unrealized gains | Gross unrealized losses | Fair value |
| As of March 31, 2002 | | | | |
| Equity securities | \$104,120 | \$49,885 | \$916 | \$153,089 |
| Total | \$104,120 | \$49,885 | \$916 | \$153,089 |
| | | | | |
| | \$ U.S. Dollars in Thousands (Note 1) | | | |
| | Cost | Gross unrealized gains | Gross unrealized losses | Fair value |
| As of March 31, 2001 | | | | |
| Equity securities | \$38,660 | \$31,610 | \$2,319 | \$67,951 |
| Bonds | 191,788 | - | 93,303 | 98,485 |
| Total | \$230,448 | \$31,610 | \$95,622 | \$166,436 |

Note 4. Derivatives

The Company has only forward exchange contracts and currency options within the limits of foreign currency deposit. The Company enters into derivative transactions for yield improvement of short-term financial assets, to reduce risk of exchange or interest rate fluctuations, but not for speculative purposes. Because the counterparties to these transactions are limited to high confidence level financial institutions and the transactions are short-term only, the Company does not anticipate any risk due to default. Derivative transactions are made only by the treasury department under approval by the president and a director in charge of those transactions.

The Company had the following derivative contracts outstanding at March 31, 2001.

| ¥ Japanese Yen in Millions | | | |
|--|-----------------|------------|------------------------|
| As of March 31, 2001 | Contract amount | Fair value | Unrealized gain (loss) |
| Purchased Put Options: | | | |
| U.S. Dollars | ¥72,090 | ¥638 | ¥(191) |
| Written Call Options: | | | |
| U.S. Dollars | ¥72,090 | ¥2,782 | ¥(1,953) |
| \$ U.S. Dollars in Thousands (Note 1) | | | |
| As of March 31, 2001 | Contract amount | Fair value | Unrealized gain (loss) |
| Purchased Put Options: | | | |
| U.S. Dollars | \$542,032 | \$4,794 | \$(1,439) |
| Written Call Options: | | | |
| U.S. Dollars | \$542,032 | \$20,921 | \$(14,688) |

Note 5. Inventories

Losses incurred from the application of the lower of cost or market valuation of inventories have been charged to cost of sales in the accompanying consolidated statements of income. These losses amounted to ¥10 billion (\$74 million) and ¥16 billion (\$123 million) for the years ended March 31, 2002 and 2001, respectively.

Notes to Consolidated Financial Statements

Years ended March 31, 2002 and 2001

Note 6. Retirement and Severance Benefits and Pension Plan

The Company has a tax approved pension scheme and lump-sum severance payments plan which is a defined benefit plan. It may also pay extra retirement allowance to employees who have distinguished services. Certain overseas consolidated subsidiaries have defined contribution plans as well as defined benefit plans.

Retirement benefit obligations as of March 31, 2002 and 2001 were as follows:

| As of March 31, | ¥ Japanese Yen in Millions | | \$ U.S. Dollars in Thousands (Note 1) | |
|--|-------------------------------|-----------|--|-------------|
| | 2002 | 2001 | 2002 | 2001 |
| a. Retirement benefit obligation | ¥(15,550) | ¥(14,363) | \$(116,919) | \$(107,989) |
| b. Plan assets | 9,931 | 9,537 | 74,671 | 71,705 |
| c. Unfunded retirement benefit obligation | (5,619) | (4,826) | (42,248) | (36,284) |
| d. Unrecognized actuarial difference | 921 | 90 | 6,923 | 676 |
| e. Unrecognized prior service cost (decrease of obligation) | 281 | 719 | 2,118 | 5,405 |
| f. Reserve for employee retirement and severance benefits | ¥(4,417) | ¥(4,017) | \$(33,207) | \$(30,203) |

Retirement benefit cost for the years ended March 31, 2002 and 2001 were as follows:

| Years ended March 31, | ¥ Japanese Yen in Millions | | \$ U.S. Dollars in Thousands (Note 1) | |
|--|-------------------------------|--------|--|----------|
| | 2002 | 2001 | 2002 | 2001 |
| a. Service cost | ¥1,095 | ¥843 | \$8,234 | \$6,335 |
| b. Interest cost | 551 | 437 | 4,143 | 3,287 |
| c. Expected return on plan assets | (282) | (248) | (2,121) | (1,865) |
| d. Amortization of difference by accounting changes | - | (563) | - | (4,234) |
| e. Amortization of actuarial difference | 613 | 1,420 | 4,611 | 10,680 |
| f. Amortization of prior service cost | 511 | 721 | 3,841 | 5,424 |
| g. Retirement benefit cost | ¥2,488 | ¥2,610 | \$18,708 | \$19,627 |

Basis of calculation:

Year ended March 31, 2002

| | |
|---|---|
| a. Method of attributing benefits to years of service: | Straight-line basis |
| b. Discount rate: | 1.5% to 7.0% |
| c. Expected return rate on plan assets: | 1.5% to 8.0% |
| d. Amortization years of prior service cost: | One to ten years |
| e. Amortization years of actuarial difference: | Mainly fully amortized in the same fiscal year as incurred |

Year ended March 31, 2001

| | |
|---|---|
| a. Method of attributing benefits to years of service: | Straight-line basis |
| b. Discount rate: | 1.5% to 7.0% |
| c. Expected return rate on plan assets: | 1.5% to 8.0% |
| d. Amortization years of prior service cost: | One to ten years |
| e. Amortization years of actuarial difference: | Fully amortized in the same fiscal year as incurred at the Company |
| f. Amortization years of difference by accounting changes: | Fully amortized in the initial fiscal year |

Note 7. Research and Development

Research and development costs incurred and charged to cost of sales, and selling, general and administrative expenses were ¥17 billion (\$126 million) and ¥17 billion (\$125 million) for the years ended March 31, 2002 and 2001, respectively.

Notes to Consolidated Financial Statements

Years ended March 31, 2002 and 2001

Note 8. Income Taxes

The Company is subject to several Japanese taxes based on income, which, in the aggregate, result in a normal statutory tax rates of approximately 42% for the years ended March 31, 2002 and 2001.

Significant components of deferred tax assets and liabilities are summarized as follows:

| Years ended March 31, | ¥ Japanese Yen in Millions | | \$ U.S. Dollars in Thousands (Note 1) | |
|---|-------------------------------|----------------|--|------------------|
| | 2002 | 2001 | 2002 | 2001 |
| Deferred tax assets: | | | | |
| Accrued expenses | ¥20,383 | ¥8,815 | \$153,258 | \$66,276 |
| Inventory - write-downs and elimination of unrealized profit | 9,721 | 13,096 | 73,090 | 98,465 |
| Research and development costs | 5,458 | 7,279 | 41,041 | 54,733 |
| Unrealized loss on land | 2,515 | 2,515 | 18,910 | 18,910 |
| Accrued enterprise tax | 2,459 | 5,713 | 18,490 | 42,957 |
| Allowance for doubtful accounts | 2,222 | 1,799 | 16,709 | 13,526 |
| Reserve for employee retirement and severance benefits | 1,806 | 1,747 | 13,580 | 13,134 |
| Copyright expenses | 1,478 | 1,408 | 11,109 | 10,584 |
| Other | 7,183 | 11,939 | 54,000 | 89,766 |
| Gross deferred tax assets | 53,225 | 54,311 | 400,187 | 408,351 |
| Valuation allowance | (1,668) | (1,059) | (12,541) | (7,963) |
| Total deferred tax assets | 51,557 | 53,252 | 387,646 | 400,388 |
| Deferred tax liabilities: | | | | |
| Unrealized gains on other securities | (2,787) | (1,766) | (20,952) | (13,276) |
| Undistributed retained earnings of an overseas subsidiary | (852) | (1,330) | (6,406) | (10,001) |
| Other | (954) | (748) | (7,176) | (5,624) |
| Total deferred tax liabilities | (4,593) | (3,844) | (34,534) | (28,901) |
| Net deferred tax assets | ¥46,964 | ¥49,408 | \$353,112 | \$371,487 |

Reconciliation of the statutory tax rate and the effective tax rate for the years ended March 31, 2002 and 2001 are excluded, since the differences are not more than five one-hundredth of the statutory tax rate.

Note 9. Leases

The Company and certain consolidated subsidiaries lease computer equipment and other assets. Total lease payments under finance leases not deemed to transfer ownership of the leased assets to the lessee for the years ended March 31, 2002 and 2001 were ¥215 million (\$1,614 thousand) and ¥136 million (\$1,022 thousand), respectively.

Pro forma information of leased assets under finance leases that do not transfer ownership of the leased assets to the lessee on an "as if capitalized" basis as of March 31, 2002 and 2001 was as follows:

| As of March 31, | ¥ Japanese Yen in Millions | | \$ U.S. Dollars in Thousands (Note 1) | |
|---------------------------------|-------------------------------|------|--|---------|
| | 2002 | 2001 | 2002 | 2001 |
| Acquisition cost | ¥830 | ¥580 | \$6,237 | \$4,363 |
| Accumulated depreciation | 412 | 342 | 3,097 | 2,575 |
| Net leased assets | ¥418 | ¥238 | \$3,140 | \$1,788 |

Pro forma amounts of obligations under finance leases that do not transfer ownership of the leased assets to the lessee on an "as if capitalized" basis as of March 31, 2002 and 2001 were as follows:

| As of March 31, | ¥ Japanese Yen in Millions | | \$ U.S. Dollars in Thousands (Note 1) | |
|----------------------------|-------------------------------|------|--|---------|
| | 2002 | 2001 | 2002 | 2001 |
| Due within one year | ¥221 | ¥107 | \$1,662 | \$807 |
| Due after one year | 197 | 131 | 1,478 | 981 |
| Total | ¥418 | ¥238 | \$3,140 | \$1,788 |

The minimum rental commitments under noncancelable operating leases at March 31, 2002 and 2001 were as follows:

| As of March 31, | ¥ Japanese Yen in Millions | | \$ U.S. Dollars in Thousands (Note 1) | |
|----------------------------|-------------------------------|------|--|---------|
| | 2002 | 2001 | 2002 | 2001 |
| Due within one year | ¥459 | ¥89 | \$3,453 | \$673 |
| Due after one year | 4,225 | 335 | 31,764 | 2,518 |
| Total | ¥4,684 | ¥424 | \$35,217 | \$3,191 |

Notes to Consolidated Financial Statements

Years ended March 31, 2002 and 2001

Note 10. Litigation

The Company and its consolidated subsidiaries are involved in matters of litigation, both as a plaintiff and as a defendant, and are subject to various claims or other contingent obligations, all arising in the ordinary course of business. Such litigation includes assertions relating to patent, copyright and trademark infringement and other matters.

While the ultimate outcome of these matters cannot be predicted at this time, it is the opinion of management that the disposition of all matters of litigation in which the Company and its consolidated subsidiaries are presently involved will not have a material adverse effect on the consolidated financial position of the Company.

Note 11. Subsequent Events

At the annual general meeting held on June 27, 2002, shareholders of the Company approved the year-end cash dividends and directors' bonuses proposed by the Board of Directors of the Company as follows:

| | ¥ Japanese Yen in Millions | \$ U.S. Dollars in Thousands (Note 1) |
|---|-------------------------------|--|
| Year-end cash dividends, ¥80 (\$0.60) per share | ¥11,333 | \$85,209 |
| Directors' bonuses | 170 | 1,278 |

At the same meeting, the Company was authorized to acquire its own shares after June 27, 2002, upon resolution of the Board of Directors, to a maximum of 14,000 thousand shares at the purchase cost of less than ¥250 billion (\$1,880 million).

Note 12. Segment Information

A. Segment Information by Business Categories

Because the Company operates predominantly in one industry segment which accounts for over 90% of total net sales, operating income and assets, this information is not required.

B. Segment Information by Seller's Location

| ¥ Japanese Yen in Millions | | | | | | | |
|---|-------------|--------------|-----------|----------|-------------|------------------------------------|--------------|
| Year ended March 31, 2002 | Japan | The Americas | Europe | Other | Total | Eliminations or unallocated assets | Consolidated |
| Net sales and operating income | | | | | | | |
| Net sales | | | | | | | |
| Sales to third parties | ¥170,867 | ¥283,425 | ¥94,253 | ¥5,868 | ¥554,413 | - | ¥554,413 |
| Inter segment sales | 275,886 | 932 | 3,425 | 1 | 280,244 | ¥(280,244) | - |
| Total net sales | 446,753 | 284,357 | 97,678 | 5,869 | 834,657 | (280,244) | 554,413 |
| Cost of sales and selling, general and administrative expenses | 381,563 | 252,984 | 92,120 | 5,756 | 732,423 | (297,617) | 434,806 |
| Operating income | ¥65,190 | ¥31,373 | ¥5,558 | ¥113 | ¥102,234 | ¥17,373 | ¥119,607 |
| Assets | ¥988,187 | ¥176,967 | ¥52,598 | ¥3,053 | ¥1,220,805 | ¥(64,089) | ¥1,156,716 |
| \$ U.S. Dollars in Thousands (Note 1) | | | | | | | |
| Year ended March 31, 2002 | Japan | The Americas | Europe | Other | Total | Eliminations or unallocated assets | Consolidated |
| Net sales and operating income | | | | | | | |
| Net sales | | | | | | | |
| Sales to third parties | \$1,284,716 | \$2,131,012 | \$708,669 | \$44,123 | \$4,168,520 | - | \$4,168,520 |
| Inter segment sales | 2,074,326 | 7,010 | 25,752 | 5 | 2,107,093 | \$(2,107,093) | - |
| Total net sales | 3,359,042 | 2,138,022 | 734,421 | 44,128 | 6,275,613 | (2,107,093) | 4,168,520 |
| Cost of sales and selling, general and administrative expenses | 2,868,895 | 1,902,139 | 692,631 | 43,275 | 5,506,940 | (2,237,720) | 3,269,220 |
| Operating income | \$490,147 | \$235,883 | \$41,790 | \$853 | \$768,673 | \$130,627 | \$899,300 |
| Assets | \$7,429,978 | \$1,330,579 | \$395,474 | \$22,950 | \$9,178,981 | \$(481,871) | \$8,697,110 |

Notes to Consolidated Financial Statements

Years ended March 31, 2002 and 2001

| ¥ Japanese Yen in Millions | | | | | | | |
|---|-------------|--------------|-----------|----------|-------------|------------------------------------|--------------|
| Year ended March 31, 2001 | Japan | The Americas | Europe | Other | Total | Eliminations or unallocated assets | Consolidated |
| Net sales and operating income | | | | | | | |
| Net sales | | | | | | | |
| Sales to third parties | ¥141,865 | ¥237,859 | ¥73,842 | ¥8,630 | ¥462,196 | - | ¥462,196 |
| Inter segment sales | 209,010 | 685 | 8,854 | 6 | 218,555 | ¥(218,555) | - |
| Total net sales | 350,875 | 238,544 | 82,696 | 8,636 | 680,751 | (218,555) | 462,196 |
| Cost of sales and selling, general and administrative expenses | 298,008 | 209,166 | 74,046 | 8,221 | 589,441 | (212,161) | 377,280 |
| Operating income | ¥52,867 | ¥29,378 | ¥8,650 | ¥415 | ¥91,310 | ¥(6,394) | ¥84,916 |
| Assets | ¥909,722 | ¥228,747 | ¥66,214 | ¥4,393 | ¥1,209,076 | ¥(140,508) | ¥1,068,568 |
| \$ U.S. Dollars in Thousands (Note 1) | | | | | | | |
| Year ended March 31, 2001 | Japan | The Americas | Europe | Other | Total | Eliminations or unallocated assets | Consolidated |
| Net sales and operating income | | | | | | | |
| Net sales | | | | | | | |
| Sales to third parties | \$1,066,655 | \$1,788,412 | \$555,205 | \$64,888 | \$3,475,160 | - | \$3,475,160 |
| Inter segment sales | 1,571,504 | 5,148 | 66,572 | 49 | 1,643,273 | \$(1,643,273) | - |
| Total net sales | 2,638,159 | 1,793,560 | 621,777 | 64,937 | 5,118,433 | (1,643,273) | 3,475,160 |
| Cost of sales and selling, general and administrative expenses | 2,240,662 | 1,572,675 | 556,739 | 61,813 | 4,431,889 | (1,595,194) | 2,836,695 |
| Operating income | \$397,497 | \$220,885 | \$65,038 | \$3,124 | \$686,544 | \$(48,079) | \$638,465 |
| Assets | \$6,840,016 | \$1,719,904 | \$497,851 | \$33,031 | \$9,090,802 | \$(1,056,454) | \$8,034,348 |

C. Sales for Overseas Customers

| | ¥ Japanese Yen in Millions | | | |
|-------------------------------------|--|-----------|----------|-------------|
| Year ended March 31, 2002 | The Americas | Europe | Other | Total |
| Sales for overseas customers | ¥284,518 | ¥116,155 | ¥10,621 | ¥411,294 |
| Consolidated net sales | | | | ¥554,413 |
| | ¥ Japanese Yen in Millions | | | |
| Year ended March 31, 2001 | The Americas | Europe | Other | Total |
| Sales for overseas customers | ¥238,775 | ¥96,789 | ¥13,270 | ¥348,834 |
| Consolidated net sales | | | | ¥462,196 |
| | \$ U.S. Dollars in Thousands (Note 1) | | | |
| Year ended March 31, 2002 | The Americas | Europe | Other | Total |
| Sales for overseas customers | \$2,139,234 | \$873,349 | \$79,857 | \$3,092,440 |
| Consolidated net sales | | | | \$4,168,520 |
| | \$ U.S. Dollars in Thousands (Note 1) | | | |
| Year ended March 31, 2001 | The Americas | Europe | Other | Total |
| Sales for overseas customers | \$1,795,298 | \$727,736 | \$99,778 | \$2,622,812 |
| Consolidated net sales | | | | \$3,475,160 |

Overseas sales are the Company's total export sales and sales made by overseas subsidiaries, except for inter segment sales.

Corporate Directory

Board of Directors

Chairman

Atsushi Asada*

President

Satoru Iwata*

Senior Managing Director

Yoshihiro Mori*

Shinji Hatano*

Genyo Takeda*

Shigeru Miyamoto*

Managing Director

Masaharu Matsumoto

Nobuo Nagai

Eiichi Suzuki

Director

Akira Iijima

Kazuo Kawahara

Tatsumi Kimishima

Hiroshi Yamauchi

Akio Tsuji

Corporate Auditor

Takayasu Kojima

Kimiyoshi Fukui

Minoru Inaba

Yoshiro Kitano

*Representative Director

As of June 27, 2002

Offices and Facilities

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Fax : (052) 501-9980

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Chuo-ku,

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Fax : (011) 621-3809

Principal consolidated subsidiaries [Overseas]

Nintendo of America Inc.

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Tel : (425) 882-2040
Fax : (425) 882-3585

Nintendo Australia Pty. Ltd.

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Victoria 3179,
Australia
Tel : 61-3-9730-9900
Fax : 61-3-9730-9922

Nintendo Benelux B.V.

Krijtwal 33, 3432 ZT
Nieuwegein, Holland
Tel : 31-30-6097100
Fax : 31-30-6051110

Nintendo of Canada Ltd.

110-13480 Crestwood Place
Richmond, B.C. V6V 2J9
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Tel : (604) 279-1600
Fax : (604) 279-1649

Nintendo España, S.A.

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MINIPARC 1
El Soto de la Moraleja
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Madrid, Spain
Tel : 34-91-659-7400
Fax : 34-91-659-7401

Nintendo of Europe GmbH

Nintendo Center,
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Fax : 49-6026-950-301

Nintendo France S.A.R.L.

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Maheux 95031
Cergy-Pontoise
Cedex, France
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Fax : 33-1-34-35-46-35

Branch offices [Overseas]

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Belgium
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Fax : 32-3-2247676

Nintendo UK

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Fax : 44-1753-472-750

Nintendo Italia

Piazzale Biancamano, 8
20121 Milano
Italy
Tel : 39-02-6203-2232
Fax : 39-02-6203-4051

Other consolidated subsidiaries

Domestic:

ND CUBE Co., Ltd.
Brownie Brown Inc.
WARPSTAR, Inc.

Overseas:

NES Merchandising Inc.
NHR Inc.
HFI Inc.
SiRAS.com Inc.
Nintendo Technology
Development Inc.
Nintendo Software
Technology Corporation
Rare Acquisition Inc.
Rare Limited
Rare Inc.
Rare Toys & Games, Inc.
Nintendo Phuten Co., Ltd.
Nintendo Services USA, Inc.

Non-consolidated subsidiary with equity method applied

Overseas:

A/N Software Inc.

Non-consolidated subsidiary with equity method non-applied

Domestic:

Fukuei Co., Ltd.

Affiliated companies with equity method applied

Domestic:

Marigul Management Inc.
MGM Fund Inc.
Mobile 21 Co., Ltd.
MONEGI Co.
The Pokémon Company
HAL LABORATORY, INC.

Overseas:

Left Field Productions, Inc.
Rareware Limited
Retro Studios, Inc.
Silicon Knights Inc.
iKuni Inc.
Pokémon USA, Inc.

Affiliated companies with equity method non-applied

Domestic:

Ape inc.

Overseas:

Midway/Nintendo Inc.

Shareholder and Investor Information

Corporate Headquarters

Nintendo Co., Ltd.
11-1, Kamitoba hokotate-cho,
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Tel : (075) 662-9600

Nintendo Co., Ltd. Common Stock

Nintendo Co., Ltd.
common stock is listed on the
Osaka Stock Exchange, Section 1
and the Tokyo Stock Exchange,
Section 1.

Annual Meeting

The Annual Meeting of
Shareholders for Fiscal 2002
was held on Thursday,
June 27, 2002
at Nintendo Co., Ltd.
Kyoto, Japan.

Investor Relations

Securities analysts, institutional
investors, and other members of
the financial community
requesting information about
Nintendo Co., Ltd. should contact:

Mr. Yoshihiro Mori

Senior Managing Director
General Manager,
Corporate Analysis &
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