

Outline of consolidated financial results for the fiscal year ended March 31, 2019 and consolidated earnings forecast for the fiscal year ending March 31, 2020

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

1. Briefing of consolidated financial results for the fiscal year ended March 31, 2019 (year on year)

- Consolidated operating results for the full year

	Previous Fiscal Year	This Fiscal Year	Comparison
Net Sales	1,055.6 billion yen	1,200.5 billion yen	144.8 billion yen
Gross Profit	403.5 billion yen	501.1 billion yen	97.6 billion yen
(Gross Profit Ratio)	(38.2 %)	(41.7 %)	
Operating Profit	177.5 billion yen	249.7 billion yen	72.1 billion yen
(Operating Profit Ratio)	(16.8 %)	(20.8 %)	
Ordinary Profit	199.3 billion yen	277.3 billion yen	77.9 billion yen
(Ordinary Profit Ratio)	(18.9 %)	(23.1 %)	
Profit Attributable to Owners of Parent	139.5 billion yen	194.0 billion yen	54.4 billion yen
(Profit Attributable to Owners of Parent Ratio)	(13.2 %)	(16.2 %)	

(Net sales)

For Nintendo Switch, strong software sales contributed to the expansion of hardware sales. In particular, *Super Smash Bros. Ultimate* recorded sales of 13.81 million units, while *Pokémon Let's Go, Pikachu!* and *Pokémon Let's Go, Eevee!* sold 10.63 million units and *Super Mario Party* sold 6.4 million units, making them all major worldwide hits. In addition, *Mario Kart 8 Deluxe* sold 7.47 million units. Combined with steadily-growing sales of titles released during previous fiscal years and titles released by other software publishers, the total number of million-seller titles during this fiscal year recorded 23. As a result, hardware sales for this fiscal year totaled 16.95 million units (12.7% increase on a year-on-year basis), while 118.55 million software units were sold (86.7% increase on a year-on-year basis).

Hardware sales of Nintendo 3DS, eight years from launch, totaled 2.55 million units (60.2% decrease on a year-on-year basis), while 13.22 million software units were sold (62.9% 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 5.95 million units.

Turning to our digital business for dedicated video game platforms, sales of download versions of packaged software and download-only software for Nintendo Switch showed especially good growth, bringing digital sales to 118.8 billion yen (95.4% increase on a year-on-year basis).

In our mobile business, many consumers around the world enjoy *Dragalia Lost*, which was released during this fiscal year, in addition to our previously-released titles. Our mobile, IP related income was 46.0 billion yen (17.0% increase on a year-on-year basis).

Due to these factors, our net sales compared to the previous fiscal year increased by 13.7% to 1,200.5 billion yen.

(Gross profit and gross profit ratio)

Gross profit compared to the previous fiscal year increased by 24.2% to 501.1 billion yen. The gross profit ratio increased by 3.5 percentage points to 41.7% compared to 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 249.7 billion yen compared to the previous fiscal year because of increment in gross profit. Ordinary profit totaled 277.3 billion yen mainly due to an increase in operating profit and interest income attributable to raised interest rates on the U.S. dollar.

- Annual dividend for this fiscal year

Based on our dividend policy, the annual dividend per share for this fiscal year has been established at 810 yen.

2. Briefing of consolidated earnings forecast for the fiscal year ending March 31, 2020

The consolidated financial forecast for the full fiscal year ending March 31, 2020 is as follows.

- Consolidated financial forecast

Net Sales	1,250.0 billion yen
Operating Profit	260.0 billion yen
Ordinary Profit	260.0 billion yen
Profit Attributable to Owners of Parent	180.0 billion yen

Assumed exchange rates are 105 yen per U.S. dollar and 120 yen per euro.

- Consolidated unit sales forecast

Nintendo Switch Hardware	18.0 million units
Nintendo Switch Software	125.0 million units
Nintendo 3DS Hardware	1.0 million units
Nintendo 3DS Software	5.0 million units

※ Forecasted software sales units do not include the quantity bundled with hardware.

※ See page 14 of the “Earnings Release for the fiscal year ended March 31, 2019” for more information about the forecast above.

Looking ahead, for Nintendo Switch, we released *Nintendo Labo Toy-Con 04: VR Kit* in April, and then we will release *Super Mario Maker 2* in June, and *Fire Emblem: Three Houses* in July, all worldwide. In addition, *Pokémon Sword* and *Pokémon Shield*, *Animal Crossing (temp.)* and *The Legend of Zelda: Link’s Awakening* are slated for released in 2019. Furthermore, major titles from other software publishers are scheduled to be released. We aim to contribute to momentum of the platform by continuously introducing attractive new titles in addition to popular titles already released.

For Nintendo 3DS, we will continue to leverage the platform’s rich software library to appeal to consumers purchasing game hardware for the first time, while continuing to drive sales of evergreen titles that leverage its hardware install base.

In the mobile business, we have plans to release *Dr. Mario World* and *Mario Kart Tour*. In addition, we will strive to expand the business by ensuring that more consumers can continue to enjoy the applications we've released already.

If we achieve the financial results we are currently forecasting, we expect that the annual dividend per share will be 760 yen.

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).