



Nintendo Co., Ltd.
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Japan

CONSOLIDATED FINANCIAL STATEMENTS

Nintendo Co., Ltd. and Consolidated Subsidiaries

FINANCIAL HIGHLIGHTS

Three months ended June 30, 2003 and 2004, and year ended March 31, 2004

The amounts presented herein are rounded down under one million yen except as otherwise denominated.

Numbers in parentheses are negative.

	Three months ended	Three months ended	Yen in Millions
	Jun. 30, 2004	Jun. 30, 2003	Year ended
			Mar. 31, 2004
Net sales	82,153	83,821	514,805
Percentage change from the same period of the previous year	(2.0%)		
Operating income	17,467	7,245	107,683
Percentage change from the same period of the previous year	141.1%		
Income before income taxes and extraordinary items	36,505	17,713	50,140
Percentage change from the same period of the previous year	106.1%		
Net income	22,635	11,450	33,194
Percentage change from the same period of the previous year	97.7%		
Net income per share	¥169.32	¥85.52	¥246.93

During the first quarter ended June 30, 2004, in the electronic entertainment products division, sales of GAME BOY ADVANCE SP handheld system continued to expand. In the software category, titles such as the simple yet profound "Mario vs. Donkey Kong", the latest release from the popular "Kirby" series "Kirby & The Amazing Mirror", and the second edition of "FAMICOM MINI" series (which enables users to enjoy FAMICOM software on the GAME BOY ADVANCE system) enjoyed favorable sales.

As for home console related products, "Pikmin 2" was released in Japan. It features new elements added to the original "Pikmin" which had already been recognized as an innovative game at its launch. In addition, "Pokémon Colosseum", featuring vigorous battles of various Pokémon characters trained through games like "Pokémon Ruby/Sapphire" of GAME BOY ADVANCE titles, was released in Europe and contributed to the expansion of NINTENDO GAMECUBE hardware sales.

*Please note that the business of the company is affected by seasonal fluctuations. The first quarter falls under the period where demand is relatively low.

	Three months ended Jun. 30, 2004	Three months ended Jun. 30, 2003	Yen in Millions Year ended Mar. 31, 2004
Financial position			
Total assets (1) -----	1,037,956	1,026,977	1,010,031
Shareholders' equity (2) -----	907,967	889,318	890,247
Ratio of net worth to total assets (2) / (1) -----	87.5%	86.6%	88.1%
Shareholders' equity per share -----	¥6,791.92	¥6,652.18	¥6,658.05

Cash flows

Cash flows from operating activities -----	41	-	120,072
Cash flows from investing activities -----	(10,895)	-	(67,025)
Cash flows from financing activities -----	(8,362)	-	(24,088)
Cash and cash equivalents - Ending -----	717,043	-	720,114

Note: Numbers for three months ended Jun. 30, 2003 are undisclosed.

For the first quarter ended June 30, 2004, total assets increased by 27.9 billion yen compared to the balance at the end of the previous fiscal year. This was mainly due to the increase in notes and trade accounts receivable and investments in securities. Liabilities increased by 10.2 billion yen compared to the balance as of the end of the previous fiscal year. This was primarily due to the increase of accrued income taxes. Shareholders' equity increased by 17.7 billion yen compared to the balance at the end of the previous fiscal year due to earnings in this quarter.

As for consolidated cash flows, net cash from operating activities ended with a positive 41 million yen. Income before income taxes and minority interests provided positive cash flow of 37.4 billion yen, but was partially offset by foreign exchange losses and a decrease in notes and trade accounts payable. Net cash from investing activities ended with a negative 10.8 billion yen mainly because 11.8 billion yen was used in payment for investments in securities. Net cash from financing activities ended with a negative 8.3 billion yen as a result of cash dividend payments. However, due to the depreciation of the yen, the effect of exchange rate changes on cash and cash equivalents resulted in a positive 16.1 billion yen. As a result, cash and cash equivalents at the end of this first quarter decreased by 3.0 billion yen compared to the balance at the end of the last fiscal year.

SUMMARY OF CONSOLIDATED BALANCE SHEETS

As of June 30, 2003 and 2004, and March 31, 2004

	Jun. 30 2004	Mar. 31 2004	Change	%	Yen in Millions Jun. 30 2003
[Assets]					
Current assets -----	904,811	890,761	14,050	1.6	910,406
Cash and deposits -----	767,097	767,270	(172)		708,065
Notes and trade accounts receivable -----	35,143	28,493	6,649		44,330
Inventories -----	33,533	30,955	2,578		98,260
Other current assets -----	70,966	67,071	3,895		65,180
Allowance for doubtful accounts -----	(1,929)	(3,028)	1,099		(5,430)
Fixed assets -----	133,144	119,269	13,874	11.6	116,571
Total -----	1,037,956	1,010,031	27,925	2.8	1,026,977
[Liabilities]					
Current liabilities -----	123,174	113,246	9,927	8.8	128,634
Notes and trade accounts payable -----	56,015	57,945	(1,929)		66,045
Accrued income taxes -----	23,160	11,165	11,995		15,652
Other current liabilities -----	43,998	44,136	(137)		46,937
Non-current liabilities -----	6,604	6,304	300	4.8	8,900
Total liabilities -----	129,779	119,550	10,228	8.6	137,535
[Minority interests]					
Minority interests -----	209	232	(22)	(9.7)	124
[Shareholders' equity]					
Common stock -----	10,065	10,065	-	-	10,065
Additional paid-in capital -----	11,584	11,584	-	-	11,584
Retained earnings -----	977,632	964,524	13,107	1.4	952,140
Unrealized gains on other securities -----	8,378	6,650	1,728	26.0	2,783
Translation adjustments -----	(12,784)	(15,677)	2,893	(18.5)	(392)
Treasury stock, at cost -----	(86,909)	(86,898)	(10)	0.0	(86,861)
Total shareholders' equity -----	907,967	890,247	17,719	2.0	889,318
Total -----	1,037,956	1,010,031	27,925	2.8	1,026,977

SUMMARY OF CONSOLIDATED STATEMENTS OF INCOME

Three months ended June 30, 2003 and 2004, and year ended March 31, 2004

	Three months ended	Three months ended	Change		Yen in Millions
	Jun. 30, 2004	Jun. 30, 2003		%	Year ended Mar. 31, 2004
Net sales -----	82,153	83,821	(1,668)	(2.0)	514,805
Cost of sales -----	42,239	53,674	(11,435)		307,233
Gross margin -----	39,913	30,146	9,767	32.4	207,572
Selling, general and administrative expenses -----	22,446	22,901	(454)		99,888
Operating income -----	17,467	7,245	10,222	141.1	107,683
Other income -----	19,084	10,678	8,406		11,391
Foreign exchange gain -----	16,232	7,624	8,607		-
Other -----	2,852	3,053	(200)		11,391
Other expenses -----	45	209	(164)		68,934
Foreign exchange loss -----	-	-	-		67,876
Other -----	45	209	(164)		1,057
Income before income taxes and extraordinary items -----	36,505	17,713	18,792	106.1	50,140
Extraordinary income -----	1,297	263	1,034		3,499
Extraordinary loss -----	309	21	288		674
Income before income taxes and minority interests -----	37,494	17,954	19,539	108.8	52,965
Income taxes -----	14,881	6,532	8,348		19,692
Minority interests -----	(22)	(29)	6		79
Net income -----	22,635	11,450	11,184	97.7	33,194

SUMMARY OF CONSOLIDATED STATEMENTS OF CASH FLOWS

Three months ended June 30, 2003 and 2004, and year ended March 31, 2004

Yen in Millions

	Jun. 30	Jun. 30	Mar. 31
	2004	2003	2004
Cash flows from operating activities:			
Income before income taxes and minority interests -----	37,494	-	52,965
Foreign exchange loss (gain) -----	(16,231)	-	54,166
Decrease (increase) in notes and trade accounts receivable -----	(5,786)	-	16,070
Decrease (increase) in inventories -----	(2,222)	-	70,805
Increase (decrease) in notes and trade accounts payable -----	(6,393)	-	(33,527)
Other, net -----	(4,597)	-	(10,027)
Sub-total	2,262	-	150,452
Income taxes paid -----	(4,526)	-	(39,945)
Other, net -----	2,305	-	9,565
Net cash provided by (used in) operating activities	41	-	120,072
Cash flows from investing activities:			
Increase (decrease) in time deposits -----	(1,696)	-	(50,395)
Proceeds from sale (payment for acquisition) of marketable securities -	2,499	-	(10,796)
Proceeds from (payment for) investments in securities -----	(11,804)	-	(8,486)
Other, net -----	106	-	2,653
Net cash provided by (used in) investing activities	(10,895)	-	(67,025)
Cash flows from financing activities:			
Cash dividends paid -----	(8,352)	-	(18,745)
Other, net -----	(10)	-	(5,342)
Net cash provided by (used in) financing activities	(8,362)	-	(24,088)
Effect of exchange rate changes on cash and cash equivalents	16,146	-	(57,444)
Net increase (decrease) of cash and cash equivalents -----	(3,070)	-	(28,486)
Cash and cash equivalents - Beginning -----	720,114	-	748,600
Cash and cash equivalents - Ending -----	717,043	-	720,114

Note: Numbers for three months ended Jun. 30, 2003 are undisclosed.

SALES INFORMATION

Three months ended June 30, 2003 and 2004

		Yen in Millions	
		Jun. 30 2004	Jun. 30 2003
Electronic entertainment products			
Hardware	-----	39,470	45,402
Software	-----	42,045	37,758
	Sub-Total	81,515	83,160
Other Products			
		637	660
	Total	82,153	83,821

SUPPLEMENTARY INFORMATION

1. CONSOLIDATED SALES UNITS AND NUMBER OF NEW TITLES

		Sales Units in Ten Thousands Number of New Titles Released		
		Three months Apr.-Jun. '04	Three months Apr.-Jun. '03	Life-to-date through Jun. '04
GAME BOY ADVANCE	Hardware	232	324	5,372
	of which GAME BOY ADVANCE SP	217	274	1,933
	Software	1,747	1,058	20,127
	New titles Domestic	37	24	566
	The Americas	52	31	567
	Other	17	36	507
NINTENDO GAMECUBE	Hardware	65	8	1,522
	Software	736	618	11,524
	New titles Domestic	4	16	192
	The Americas	16	19	342
		Other	12	36

[Note] New titles-Other include new titles in the European and Australian markets.

**2. BALANCE OF ASSETS IN MAJOR FOREIGN CURRENCIES
WITHOUT EXCHANGE CONTRACT (NON-CONSOLIDATED)**

		U.S. Dollars / Euros in Millions		
		As of Jun. 30, 2004	Average Exchange Rate three months Apr.-Jun. '04	Exchange rate Jun. 30, 2004
US\$	Cash and Deposits	4,708	US\$1.00 =	
	Accounts Receivable	307	¥109.77	¥108.43
EUR	Cash and Deposits	456	€1.00 =	
	Accounts Receivable	113	¥132.28	¥131.06

3. LAUNCH DATES OF PRIMARY NINTENDO PRODUCTS BY REGION

GAME BOY ADVANCE				NINTENDO GAMECUBE	
Region	Category	Title	Launch Date	Title	Launch Date
Japan	(Software)	Kirby & The Amazing Mirror	Apr. 15	Pikmin2	Apr. 29
		Mario Golf: Advance Tour	Apr. 22	Wario World	May 27
		Famicom Mini: Second(10titles)	May 21	Legend of Golfer	Jun. 17
		Metroid: Zero Mission	May 27		
		Mario vs. Donkey Kong	Jun. 10		
The Americas	(Software)	Mario vs. Donkey Kong	May 24	Wario Ware, Inc.: Mega Party Game\$	Apr. 5
		Classic NES Series(8titles)	Jun. 7	Custom Robo	May 10
		Mario Golf: Advance Tour	Jun. 21	The Legend of Zelda: Four Sword Adventures	Jun. 7
Europe	(Software)	Metroid: Zero Mission	Apr. 8	Pokémon Channel	Apr. 1
		F-ZERO GP Legend	Jun. 4	Pokémon Colosseum	May 14
		Donkey Kong Country2	Jun. 25	Mario Golf: Toadstool Tour	Jun. 18

- Notes: 1.Launch dates may differ within the Americas and Europe regions depending on territories or countries.
2. Some names of the titles released in Japan are their Japanese names and may differ from other regions.