Earnings Release

CONSOLIDATED FINANCIAL STATEMENTS

Nintendo Co., Ltd. and Consolidated Subsidiaries

May 25, 2006

Nintendo Co., Ltd.
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Japan

FINANCIAL HIGHLIGHTS

1. Consolidated results for the years ended March 31, 2005 and 2006

(1) Consolidated operating results (Amounts below one million are rounded down)

	Net Sales		Operating Income		Income before Income Taxes and Extraordinary Items		Net Income	
	million yen	%	million yen	%	million yen	%	million yen	%
Year ended March 31, 2006	509,249	(1.2)	90,349	(19.0)	160,759	10.6	98,378	12.5
Year ended March 31, 2005	515,292	0.1	111,522	3.6	145,292	189.8	87,416	163.3

	Net Income per Share	Return on Equity (ROE)	Income before Income Tax and Extraordonary Items on Total Assets	Income before Income Tax and Extraordinary Items to Sales
	yen	%	%	%
Year ended March 31, 2006	762.28	10.4	14.0	31.6
Year ended March 31, 2005	662.96	9.7	13.6	28.2

[Notes] *Average number of shares outstanding:
Year ended March 31, 2006: 128,821,844 shares, Year ended March 31, 2005: 131,600,201 shares
*Percentage for net sales, operating income, income before income taxes and extraordinary items, and net income show increase (decrease) from the previous annual accounting period.

(2) Consolidated financial position

	Total Assets	Shareholders' Equity	Ratio of Net Worth to Total Assets	Shareholders' Equity per Share
	million yen	million yen	%	yen
Year ended March 31, 2006	1,160,703	974,091	83.9	7,613.79
Year ended March 31, 2005	1,132,492	921,466	81.4	7,082.68

[Notes] *Number of shares outstanding (excluding treasury stock):
As of March 31, 2006: 127,914,104 shares, As of March 31, 2005: 130,077,389 shares

(3) Consolidated cash flows

	Cash Flows from Operating Activities	Cash Flows from Investing Activities	Cash Flows from Financing Activities	Cash and Cash Equivalents - Ending
	million yen	million yen	million yen	million yen
Year ended March 31, 2006	46,382	(208,807)	(60,166)	617,139
Year ended March 31, 2005	116,571	(11,716)	(61,447)	792,727

(4) Company group information

Consolidated subsidiaries: 19 Non-consolidated company with equity method applied: 0 Affiliates with equity method applied: 7

(5) Change in scope of consolidation and equity method application

Consolidated subsidiaries: 2 newly added Affiliates with equity method applied: 1 excluded

2. Forecast for the fiscal year ending March 2007 (April 1, 2006 - March 31, 2007)

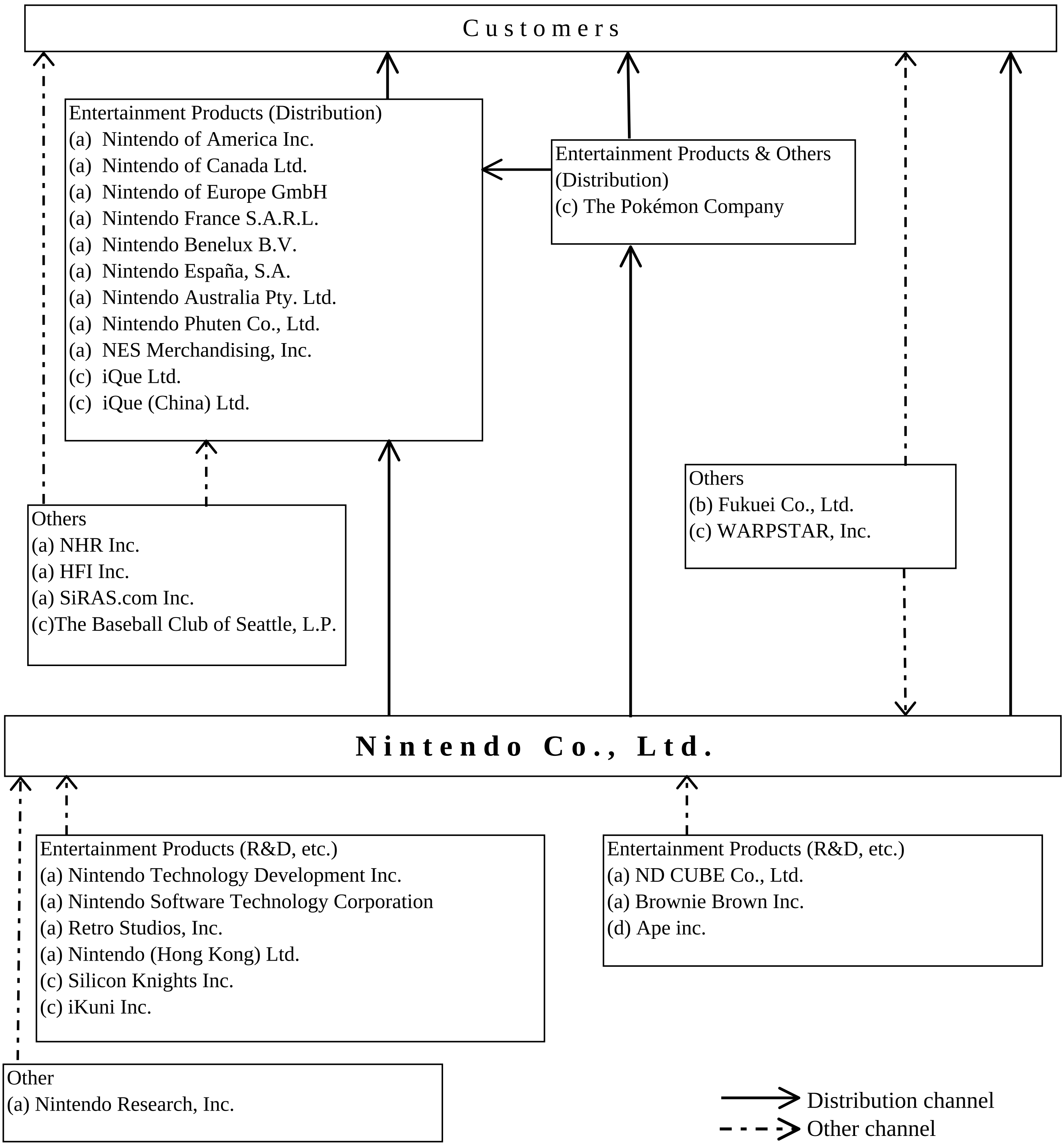
	Net Sales	Income before Income Taxes and Extraordinary Items	Net Income
	million yen	million yen	million yen
Six months ending Sept. 30, '06	220,000	25,000	15,000
Year ending March 31, 2007	600,000	110,000	65,000

Estimated annual earnings per share: 508.15 yen

*With respect to this forecast, please refer to page 4 for the forward-looking conditions and other related matters.

COMPANY GROUP INFORMATION

Among Nintendo Co., Ltd. ("the Company") and its related companies, which are composed of the Company, twenty subsidiaries, and eight affiliates as of March 31, 2006, the main business is manufacturing and distribution of electronic entertainment products. Chart of business by the Company and its related companies are as follows.



The number of companies

(a) Consolidated subsidiaries	19
(b) Non-consolidated subsidiary with equity method non-applied	1
(c) Affiliates with equity method applied	7
(d) Affiliate with equity method non-applied	1

MANAGEMENT POLICY

1. Basic management policy

In the field of home entertainment, Nintendo Co., Ltd. ("the Company") and its consolidated subsidiaries (together with the Company, "Nintendo") strive to create new and unique forms of entertainment while maintaining a robust business structure. Nintendo places the highest emphasis on providing customers with a "world of fun", which is both innovative and entertaining with creative elements that have never been experienced.

2. Basic policy of profit distribution

It is the Company's basic policy to internally provide the capital necessary to fund future growth, including capital investments, and to maintain a strong and liquid financial position in preparation for sudden changes in the business environment and intensified competition. The Company pays a dividend, however, profit levels are evaluated in each fiscal period to determine the level of direct profit returns to our shareholders.

Annual dividend per share will be established at the higher of the amount calculated by dividing 33% of consolidated operating income by the total number of outstanding shares, excluding treasury stock, as of the end of the fiscal year rounded up to the 10 yen digit, and the amount calculated based on the 50% consolidated net income standard rounded up to the 10 yen digit. Although no maximum level is established, the annual minimum dividend per share is kept at 140 yen.

Retained earnings are maintained for effective use in research of new technology and development of new products, capital investments, enhancement of selling power, and common stock buyback whenever deemed appropriate.

3. View and policy of stock trading unit reduction

To expand the number of private investors and to make the Company's common stocks more widely available, the Company changed the number of stock trading units from 1,000 shares to 100 shares in 1991. A further reduction of stock trading units would require a significant amount of cost and will require in-depth consideration from cost-effectiveness and stock liquidity viewpoints.

4. Targeted management index

In the home entertainment industry, it is essential to provide new and entertaining products consistently. Upon accomplishing this, the Company aims to improve its corporate value by sustaining robust growth and increasing profit. Because the Company deals with entertainment products, which by nature hold many uncertainties in terms of its product development, and operates in a market which involves intense competition, flexible business decisions are made without being constrained by any specific management index.

5. Medium and long term management strategy and challenges

The video game industry has developed as one of the few entertainment fields which was launched and driven by Japan. Throughout the early years, the success of the industry was dependent upon increasingly spectacular graphics and more complex games. In recent years, however, the traditional success formula of developing splendid and complex games has become less productive. High development costs cannot be avoided by pursuing this traditional method and there is a growing perception that further expansion of the market will be difficult. As a result, the industry is now approaching a turning point.

Nintendo will continue the challenge to provide an unprecedented gaming experience. It is essential for our human resources to be even more flexible and positive. By taking advantage of being the only platform holder with a powerful in-house software development team, Nintendo will strive to expand its business and increase revenue and profit by introducing new ideas to gaming that can be enjoyed by anyone, regardless of age, gender, or prior gaming experience. This strategy will lead to increasing the gaming population.

6. Matters pertaining to parent company

Not applicable

OPERATING RESULTS

1. Review of operations

During the fiscal year ended March 31, 2006, despite concerns relating to surging crude oil prices, the Japanese economy continued to show a pattern of recovery due to increased exports and production, and steady consumer spending supported by improvements in the employment environment and household income. Looking overseas, the U.S. economy continued to show steady performance due to favorable consumer spending and capital investment. As for the European economy, the business environment showed indications of improvement even though it was moderate.

In the video game industry, the handheld game market performed well with the launch of new hardware models. On the other hand, the market for consoles showed weak performance.

Nintendo's approach over the past year was to expand the gaming population by introducing "Nintendo DS", a handheld gaming device equipped with a touch screen and microphone port that enables intuitive game play, along with its wireless communication capability. These features have made it possible for new and unprecedented ideas to be introduced that expand the definition of video games. In order to cultivate a new user demographic which include seniors and females, a software lineup known as "Touch! Generations" was introduced. "Touch! Generations" titles offer an entertaining experience that provide a fresh sensation to skilled gamers which is at the same time, easily accessible to those who were not familiar with video games in the past. In addition, "Nintendo Wi-Fi Connection", the wireless internet service for the "Nintendo DS" which has three key elements; "easy, safe, and charge-free" gained popularity and was accepted by a broad range of people.

Consolidated net sales for the fiscal year ended March 31, 2006 resulted in 509.2 billion yen, including overseas sales of 352.6 billion yen, which accounted for 69.2% of total sales. Income before income taxes and extraordinary items was 160.7 billion yen, which included a foreign exchange gain of 45.5 billion yen as a result of the revaluation of foreign currency assets. Net income was 98.3 billion yen.

With respect to sales by business category, handheld game products in the electronic entertainment products division, "Nintendo DS" and its upgraded model "Nintendo DS Lite" sold a total of more than 16 million units on a worldwide basis in just over sixteen months after launch. Especially in Japan, "Nintendo DS" is selling at a faster rate than any other gaming device. "Nintendo DS" software also enjoyed a boost in sales as the "Touch! Generations" titles, aimed at expanding the user base, sold exceptionally well. Among these titles, "Nintendogs", which allows the player to interact with virtual puppies on the screen, sold 6.65 million units worldwide. Also from the lineup, a new brain training genre, "Brain Age: Train Your Brain in Minutes a Day", coupled with its sequel version, and "Big Brain Academy", released only in Japan, brought total unit sales of these three "Touch! Generations" titles during the period to 5.10 million. In addition, "Nintendo Wi-Fi Connection" compatible titles such as "Mario Kart DS", (an action racing game that lets the player compete against other players from around the world) sold 4.22 million units. Also, "Animal Crossing: Wild World", (a game that lets you communicate with friends) sold 3.56 million units. In the console business, software titles for the "Nintendo GameCube" such as "Mario Party 7" (a get-together game that lets up to eight players play simultaneously) and the role playing game "Pokémon XD: Gale of Darkness" each sold more than a million units, however, overall console hardware and software sales declined. In total, net sales in the electronic entertainment products division were 507.0 billion yen, while sales in the other products division (playing cards, karuta, etc.) were 2.1 billion yen.

With respect to geographic segment information, sales in Japan were 411.8 billion yen including inter-segment sales of 249.8 billion yen. Operating income was 81.6 billion yen. Sales in the Americas were 212.4 billion yen including inter-segment sales of 1.9 billion yen. Operating income was 0.4 billion yen. Sales in Europe were 129.8 billion yen. Operating income was 1.1 billion yen.

Furthermore, for the purpose of executing flexible capital policies in response to changes in the business environment, the Company acquired 2.15 million of its own shares, at a cost of 25.1 billion yen in conformity with the board of directors resolution.

2. Annual outlook

Nintendo will continue to develop the "Touch! Generations" initiative which created a new flow in the world of video games while at the same time expanding its software lineup into various new fields. Along with the original "Nintendo DS", Nintendo expects to further increase "Nintendo DS" hardware sales with "Nintendo DS Lite" which launched in March 2006 as the upgraded model of the "Nintendo DS" to meet various consumer preferences.

During the year 2006, a new gaming console "Wii" (pronounced "We") is scheduled for launch. With its innovative controller, "Wii" aims to set a new standard as a video game interface and allows the whole family to relate to it.

With regard to consolidated performance forecasts for the fiscal year ending March 31, 2007, net sales are projected to reach 600.0 billion yen, operating income 110.0 billion yen, income before income taxes and extraordinary items 110.0 billion yen, net income 65.0 billion yen. Estimated exchange rates for the fiscal year are 110.00 yen to the U.S. dollar and 140.00 yen to the euro.

As for the dividend, based on "2. Basic policy of profit distribution", if the company achieves the current forecast for the fiscal year ending March 31, 2007, the annual cash dividend per share will be 290 yen (70 yen at six-month end, 220 yen at fiscal year-end).

*Note: Forecasts announced by the Company referred to above were prepared based on management's assumptions with information available at this time and therefore involve known and unknown risks and uncertainties.
Please note such risks and uncertainties may cause the actual results to be materially different from the forecasts.

FINANCIAL POSITION

Total assets increased overall by 28.2 billion yen compared to the previous fiscal year-end to 1,160.7 billion yen. The increase was due in part to an increase in marketable securities. Total liabilities decreased by 24.3 billion yen compared to the previous fiscal year-end primarily due to the decrease in notes and trade accounts payable to 186.4 billion yen. Shareholders' equity increased by 52.6 billion yen compared to the previous fiscal year-end to 974.0 billion yen as net income exceeded acquisition of treasury stocks and cash dividend payment .

The ending balance of Cash and cash equivalents (collectively, Cash) as of March 31, 2006 decreased by 175.5 billion yen compared to the previous fiscal year-end to 617.1 billion yen. Net increase (decrease) of Cash and contributing factors during the fiscal year-ended March 31, 2006 are as follows:

Cash flows from operating activities:

Net Cash provided by operating activities was 46.3 billion yen despite reductions in cash due to a foreign exchange gain resulting from revaluation of Cash in foreign currencies, payment of 74.8 billion yen for income taxes and also due to a decrease in notes and trade accounts payable.

Cash flows from investing activities:

Net Cash used in investing activities was 208.8 billion yen as payments into time deposits exceeded withdrawals.

Cash flows from financing activities:

Net Cash used in financing activities was 60.1 billion yen due to dividend payments and payments for acquiring treasury stocks.

Cash flow index trend:

	Year ended March 31, 2002	Year ended March 31, 2003	Year ended March 31, 2004	Year ended March 31, 2005	**Year ended March 31, 2006**
Ratio of net worth to total assets	% 80.8	% 82.0	% 88.1	% 81.4	**% 83.9**
Ratio of total market value of stocks to total assets	% 240.8	% 118.8	% 139.1	% 134.4	**% 194.0**

[Notes] *Percentage figures are calculated on a consolidated basis.
*Total market value of stocks is calculated by multiplying closing price and number of outstanding stocks (excluding treasury stocks) at the end of the period.

RISK FACTORS

Listed below are the various risks that could significantly affect Nintendo's operating performance, share price, and financial condition. However, unpredictable risks may exist other than the risks set forth herein.
Note that matters pertaining to the future presented herein are determined by Nintendo as of annual consolidated fiscal period ended March 31, 2006.

(1) Risks around economic environment

・Fluctuation in foreign exchange rates
Nintendo distributes its products globally with overseas sales accounting for approximately 70% of total sales. The majority of monetary transactions are made in local currencies. In addition, the Company holds a substantial amount of assets including cash deposits denominated in foreign currencies without exchange contracts. Thus, fluctuation in foreign exchange rates would have a direct influence on earnings not only if foreign currencies were converted to Japanese yen but also if revaluated for financial reporting purposes. Japanese yen appreciation against the U.S. dollar or Euro would have a negative impact on Nintendo's profitability.

(2) Risks around business activities

・Fluctuation of and competition in the market
Nintendo is engaged in a business categorized under the massive entertainment industry. Therefore, the availability of other forms of entertainment affects Nintendo's business. If consumer preferences shift to other forms of entertainment, it is possible that the video game market may shrink. The emergence of new competitors resulting from technological innovation could have a detrimental impact as well.
In the video game industry, it may become even more difficult to generate profit as more research and development expenses and marketing expenses are required and as price competition intensifies with giant enterprises entering into the market. As a result, Nintendo may find difficulty in maintaining or expanding its market share as well as sustaining profitability.

・Development of new products
Although Nintendo continues to develop innovative and appealing products in the field of computer entertainment, the development process is complicated and includes many uncertainties. Various risks involved are as follows:
① Despite the substantial costs and time needed for software development, there is no guarantee that all new products will be accepted by consumers due to ever shifting consumer preferences. As a result, development of certain products may be suspended or aborted.

② Hardware requires a long term development span. While technological advancements occur continuously, it is possible that the Company may be unable to acquire the necessary technology which can be utilized in entertainment. Furthermore, in the case of a delayed launch, it is possible that market share could be adversely affected.
③ Due to the nature of Nintendo products, it may become difficult to sell or develop the products as planned which could lead to significant variances from income projections.

・Product valuation and adequate inventory procurement

Demand for products in the video game industry is significantly impacted by customers' preferences as well as seasonality characterized by short product life cycles and very high demand around the holiday season. Although production is targeted at the equilibrium point of supply and demand, accurate projections are extremely difficult to obtain which may lead to the risk of excessive inventory. In addition, inventory obsolescence could have an adverse effect on Nintendo's operations and financial position.

・Overseas business expansion and international activities

Nintendo engages in business in territories such as The United States, Europe, Australia, and Asia. Expansion of business to these overseas markets involves risks such as ① unpredicted enforcement or amendments to laws or regulations, ② emergence of political or economic factors that prove to be a disadvantage, ③ inconsistency of multilateral taxation systems and diversity of tax law interpretation leading to a disadvantaged position, ④ difficulty of recruiting and securing human resources, ⑤ social disruption resulting from strikes, terrorist attacks, war, and other events.

・Dependency on outside manufacturers

Nintendo commissions a number of certain outside manufacturers to produce key components or assemble finished products. In the event of their commercial failure, these manufacturers may not adequately provide or produce significant components or products. In addition, in periods of high demand, certain manufacturers may not have the capacity to provide the ordered amount of components. A shortage of key components could lead to issues such as margin decline due to higher pricing as well as insufficient product supply, and quality control. This may impair the relationship between Nintendo and its customers.
Furthermore, as there are many production locations overseas used by our suppliers, when production is interfered by events such as riots or natural disasters at the local area, it could have an adverse effect on Nintendo's operations and financial position.

・Business operations affected by seasonal fluctuation

Since a major portion of demand is focused around the holiday season, the demand is influenced by seasonal fluctuations. Should the Company fail to meet the period of high demand in any of its business activities, including but not restricted to the launch of attractive new products and supplying hardware, it would suffer unfavorable operating performance.

(3) Other risks

Other than set forth above, factors such as product liability, limitations of protecting intellectual property, leakage of personal information and confidential information, changes in accounting standards and taxation system, litigation, uncollectibility of trade accounts receivable and notes receivable, failure of financial institutions, and restrictions regarding environmental protection may adversely affect Nintendo's future performance and financial position.

CONSOLIDATED BALANCE SHEETS

Description \ Date	As of March 31, 2006 Amount	%	As of March 31, 2005 Amount	%	Increase (Decrease) Amount
	million yen		million yen		million yen
(Assets)					
I Current assets					
1 Cash and deposits	812,064		826,653		(14,589)
2 Notes and trade accounts receivable	43,826		51,143		(7,316)
3 Marketable securities	64,287		20,485		43,801
4 Inventories	30,835		49,758		(18,923)
5 Deferred income taxes	24,170		19,513		4,656
6 Other current assets	45,061		28,217		16,844
7 Allowance for doubtful accounts	(1,514)		(1,880)		365
Total current assets	1,018,730	87.8	993,891	87.8	24,839
II Fixed assets					
1 Property, plant and equipment					
(1) Buildings and structures	18,838		18,451		386
(2) Machinery, equipment and automobiles	1,144		1,316		(172)
(3) Furniture and fixtures	3,341		2,171		1,170
(4) Land	32,604		32,069		534
(5) Construction in progress	41		410		(369)
Total property, plant and equipment	55,969	4.8	54,420	4.8	1,549
2 Intangible assets					
(1) Software etc.	319		354		(34)
Total intangible assets	319	0.0	354	0.0	(34)
3 Investments and other assets					
(1) Investments in securities	60,213		73,393		(13,179)
(2) Deferred income taxes	10,314		10,155		158
(3) Other investments and other assets	15,182		307		14,874
(4) Allowance for doubtful accounts	(26)		(30)		4
Total investments and other assets	85,683	7.4	83,825	7.4	1,857
Total fixed assets	141,972	12.2	138,600	12.2	3,371
Total	**1,160,703**	**100.0**	**1,132,492**	**100.0**	**28,211**

Description / Date	As of March 31, 2006 Amount	%	As of March 31, 2005 Amount	%	Increase (Decrease) Amount
	million yen		million yen		million yen
(Liabilities)					
Ⅰ **Current liabilities**					
1 Notes and trade accounts payable	83,817		111,045		(27,228)
2 Accrued income taxes	53,040		51,951		1,088
3 Reserve for bonuses	1,732		1,650		81
4 Other current liabilities	43,684		40,801		2,882
Total current liabilities	182,274	15.7	205,449	18.1	(23,175)
Ⅱ **Non-current liabilities**					
1 Non-current accounts payable	861		461		400
2 Reserve for employee retirement and severance benefits	3,299		3,074		224
3 Reserve for directors' retirement and severance benefits	-		1,816		(1,816)
Total non-current liabilities	4,161	0.4	5,353	0.5	(1,191)
Total liabilities	**186,435**	**16.1**	**210,802**	**18.6**	**(24,367)**
(Minority interests)					
Minority interests	**176**	**0.0**	**222**	**0.0**	**(46)**
(Shareholders' equity)					
Ⅰ **Common stock**	**10,065**	**0.9**	**10,065**	**0.9**	**-**
Ⅱ **Additional paid-in capital**	**11,585**	**1.0**	**11,584**	**1.0**	**0**
Ⅲ **Retained earnings**	**1,096,073**	**94.4**	**1,032,834**	**91.2**	**63,238**
Ⅳ **Unrealized gains on other securities**	**10,717**	**0.9**	**7,194**	**0.7**	**3,522**
Ⅴ **Translation adjustments**	**762**	**0.1**	**(10,315)**	**(0.9)**	**11,078**
Ⅵ **Treasury stock, at cost**	**(155,112)**	**(13.4)**	**(129,896)**	**(11.5)**	**(25,215)**
Total shareholders' equity	**974,091**	**83.9**	**921,466**	**81.4**	**52,624**
Total	**1,160,703**	**100.0**	**1,132,492**	**100.0**	**28,211**

CONSOLIDATED STATEMENTS OF INCOME

	Description / Period	Year Ended March 31, 2006 Amount	%	Year Ended March 31, 2005 Amount	%	Change Amount	%
		million yen		million yen		million yen	
Ⅰ	**Net Sales**	509,249	100.0	515,292	100.0	(6,043)	(1.2)
Ⅱ	**Cost of Sales**	294,133	57.8	298,115	57.9	(3,982)	(1.3)
	Gross margin	**215,115**	**42.2**	**217,176**	**42.1**	**(2,061)**	**(0.9)**
Ⅲ	**Selling, general, and administrative expenses**	124,766	24.5	105,653	20.5	19,112	18.1
	Operating income	**90,349**	**17.7**	**111,522**	**21.6**	**(21,173)**	**(19.0)**
Ⅳ	**Other income**	**70,897**	**14.0**	**37,868**	**7.4**	**33,029**	**87.2**
	1 Interest income	22,497		13,510		8,987	
	2 Foreign exchange gain	45,515		21,848		23,667	
	3 Other	2,884		2,509		374	
Ⅴ	**Other expenses**	**487**	**0.1**	**4,098**	**0.8**	**(3,611)**	**(88.1)**
	1 Sales discount	422		304		117	
	2 Equity in losses of non-consolidated subsidiary and affiliates	-		3,512		(3,512)	
	3 Other	65		281		(216)	
	Income before income taxes and extraordinary items	**160,759**	**31.6**	**145,292**	**28.2**	**15,466**	**10.6**
Ⅵ	**Extraordinary income**	**7,360**	**1.4**	**1,735**	**0.3**	**5,624**	**324.0**
	1 Reversal of allowance for doubtful accounts	966		1,735		(769)	
	2 Reversal of unrealized loss on investments in securities	1,408		-		1,408	
	3 Gain on sales of fixed assets	6		-		6	
	4 Gain on sales of investments in securities	3,653		-		3,653	
	5 Gain on redemption of investments in securities	82		-		82	
	6 Gain on liquidation of investments in affiliate	5		-		5	
	7 Reversal of reserve for directors' retirement and severance benefits	1,236		-		1,236	
Ⅶ	**Extraordinary loss**	**1,648**	**0.3**	**1,625**	**0.3**	**23**	**1.4**
	1 Loss on disposal of fixed assets	31		13		18	
	2 Unrealized loss on investments in securities	1,383		1,612		(228)	
	3 Loss on sales of investments in securities	233		-		233	
	Income before income taxes and minority interests	**166,470**	**32.7**	**145,402**	**28.2**	**21,068**	**14.5**
	Provision for income taxes and enterprise taxes	74,431	14.6	53,766	10.4	20,664	38.4
	Income taxes deferred	(6,292)	(1.2)	4,195	0.8	(10,487)	(250.0)
	Minority interests	(46)	(0.0)	24	0.0	(70)	(289.2)
	Net income	**98,378**	**19.3**	**87,416**	**17.0**	**10,962**	**12.5**

CONSOLIDATED STATEMENTS OF SURPLUS

Description / Period	**Year Ended March 31, 2006**	Year Ended March 31, 2005
	Amount	Amount
	million yen	million yen
(Additional paid-in capital)		
Ⅰ **Additional paid-in capital - Beginning**	**11,584**	**11,584**
Ⅱ **Increase**	**0**	**0**
1 Gain on disposal of treasury stock	0	0
Ⅲ **Additional paid-in capital - Ending**	**11,585**	**11,584**
(Retained earnings)		
Ⅰ **Retained earnings - Beginning**	**1,032,834**	**964,524**
Ⅱ **Increase**	**98,378**	**87,416**
1 Net income	98,378	87,416
Ⅲ **Decrease**	**35,139**	**19,105**
1 Cash dividends	34,969	18,463
2 Directors' bonuses	170	170
3 Decrease in retained earnings due to exclusion of affiliate with equity method applied	-	472
Ⅳ **Retained earnings - Ending**	**1,096,073**	**1,032,834**

CONSOLIDATED STATEMENTS OF CASH FLOWS

Description / Period	Year Ended March 31, 2006	Year Ended March 31, 2005
	Amount	Amount
	million yen	million yen
Ⅰ Cash flows from operating activities:		
Income before income taxes and minority interests	166,470	145,402
Depreciation and amortization	3,591	2,931
Increase (decrease) in allowance for doubtful accounts	(511)	(1,226)
Increase (decrease) in reserve for employee retirement and severance benefits	(42)	(974)
Interest and dividends income	(23,176)	(14,100)
Interest expenses	1	0
Foreign exchange loss (gain)	(46,577)	(27,570)
Gain on sales of investments in securities	(3,653)	-
Unrealized loss on investments in securities	1,383	1,612
Equity in losses (earnings) of non-consolidated subsidiary and affiliates	(267)	3,512
Decrease (increase) in notes and trade accounts receivable	9,140	(21,062)
Decrease (increase) in inventories	21,554	(17,734)
Increase (decrease) in notes and trade accounts payable	(28,679)	48,687
Increase (decrease) in consumption taxes payable	198	189
Directors' bonuses paid	(170)	(170)
Other, net	(1,262)	(2,973)
Sub-total	97,999	116,523
Interest and dividends received	23,237	13,533
Interest paid	(1)	(0)
Income taxes paid	(74,853)	(13,485)
Net cash provided by (used in) operating activities	46,382	116,571
Ⅱ Cash flows from investing activities:		
Increase in time deposits	(497,914)	(64,830)
Decrease in time deposits	295,452	72,973
Payments for acquisition of marketable securities	(35,989)	(31,560)
Proceeds from sale of marketable securities	27,543	39,963
Payments for acquisition of property, plant and equipment	(4,139)	(2,061)
Proceeds from sale of property, plant and equipment	91	12
Payments for investments in securities	(9,172)	(24,711)
Proceeds from investments in securities	13,940	2,524
Payments for investments in affiliates	(42)	(7,250)
Sales of business entities	-	1,072
Other, net	1,423	2,151
Net cash provided by (used in) investing activities	(208,807)	(11,716)
Ⅲ Cash flows from financing activities:		
Payments for acquisition of treasury stock	(25,227)	(42,995)
Cash dividends paid	(34,943)	(18,455)
Other, net	3	3
Net cash provided by (used in) financing activities	(60,166)	(61,447)
Ⅳ Effect of exchange rate changes on cash and cash equivalents	47,003	29,205
Ⅴ Net increase (decrease) of cash and cash equivalents	(175,587)	72,613
Ⅵ Cash and cash equivalents - Beginning	792,727	720,114
Ⅶ Cash and cash equivalents - Ending	617,139	792,727

BASIS OF CONSOLIDATED FINANCIAL STATEMENTS

1. Scope of consolidation

Consolidated subsidiaries	19	Nintendo of America Inc.	NES Merchandising, Inc.
		NHR Inc.	HFI Inc.
		Nintendo of Canada Ltd.	Nintendo of Europe GmbH
		Nintendo France S.A.R.L.	Nintendo España, S.A.
		Nintendo Benelux B.V.	Nintendo Australia Pty. Ltd.
		Nintendo Phuten Co., Ltd.	Nintendo Technology Development Inc.
		Nintendo Software Technology Corporation	
		SiRAS.com Inc.	Retro Studios, Inc.
		Nintendo (Hong Kong) Ltd.	Nintendo Research, Inc.
		ND CUBE Co., Ltd.	Brownie Brown Inc.

Nintendo (Hong Kong) Ltd. and Nintendo Research, Inc. are newly consolidated because of capital investment.

Non-consolidated subsidiary	1	Fukuei Co., Ltd.
		* A/N software was liquidated.

The subsidiary above is small in size and is excluded from consolidation as it does not have a significant impact on the consolidated financial statements in respect of total assets, sales, net profit, and retained earnings.

2. Scope of equity method companies

Affiliates with equity method applied	7	The Pokémon Company	WARPSTAR, Inc.	Silicon Knights Inc.
		iKuni Inc.	iQue Ltd.	iQue (China) Ltd.
		The Baseball Club of Seattle, L.P.		

With respect to (equity method applied) affiliates with different year-end from consolidated year-end (i.e., March 31), their financial statements are used either as they are or based on appropriate provisional financial information.

3. Annual consolidated accounting period

Although fiscal year-end of Nintendo Phuten Co., Ltd. and Retro Studios, Inc. is December 31, which is different from consolidated year-end, their financial statements through that period are used for consolidation as the variance of year-end is within three months (so-called three month rule applied). Important transactions between their year-end and March 31 are reconciled for consolidation.

4. Accounting policies

(1) A valuation basis and method of important assets

(A) Securities

Held-to-maturity bonds	Amortized cost method (by straight-line method)
Other securities	
Marketable other securities	Market price method, based on the market value at balance sheet date (Losses are charged to income, and unrealized gains, net of tax are charged to shareholders' equity.)
Non-marketable other securities	Cost, determined by the moving average method

(B) Derivatives

Market price method

(C) Inventories

Lower of cost or market method, determined by the moving average method

(2) Depreciation method for important fixed assets

(A) Tangible assets

The Company and its domestic consolidated subsidiaries	Declining balance method (Some equipment is depreciated over economic useful lives.) Buildings (exclusive of structures) acquired on or after April 1, 1998 are depreciated using the straight-line method.
Overseas consolidated subsidiaries	Straight-line method over the estimated useful lives of the assets Estimated useful lives of the principal assets: Buildings and structures: 3 to 60 years

(B) Intangible assets — Straight-line method
As for software for the in-house use, straight-line method based on usable period (mainly five years) is applied.

(3) Important allowance and reserve

(A) Allowance for doubtful accounts

The Company and its domestic consolidated subsidiaries are calculating the allowance for general accounts receivables with actual percentage of credit losses to provide against losses on bad debts, as well as calculating the allowance for each doubtful account with an estimated amount of potential bad debts. Overseas consolidated subsidiaries are calculating the allowance for each doubtful account with an estimated amount of potential bad debts.

(B) Reserve for bonuses

The Company is calculating the reserve for bonuses with estimated prorated amount to be paid.

(C) Reserve for employee retirement and severance benefits

The Company and certain consolidated subsidiaries are calculating the reserve for employee retirement and severance benefits with actuarially projected amount at the end of the accounting period, on the basis of the cost of retirement benefits and plan assets at the end of the current fiscal year.

Actuarial calculation difference are processed collectively, mainly in the accrued year.

In addition, because the Company's plan assets exceeded the cost of retirement benefits during the current consolidated accounting period, reserve for employee retirement and severance benefits is booked as "Prepaid plan assets" in "Other investments and other assets".

(Change in accounting procedure)

Effective as of the annual consolidated accounting period ended March, 2006, the Company adopted the partial amendment of "Corporate Accounting Standard No. 3 regarding Employee Retirement and Severance Benefits and its application guidelines No. 7", issued on March 16, 2005. This caused operating income, income before income taxes and extraordinary items, and income before income taxes and minority interests to increase by 2,677 million yen.

(D) Reserve for directors' retirement and severance benefits

In order to prepare for granting retirement allowances to directors and auditors, provisions based on regulations regarding payment of retirement allowances to directors and auditors have been recognized by the reporting company. At the Annual General Meeting of Shareholders held on June 29, 2005, the discontinuance of the directors and auditors retirement allowance system was approved along with payment of a final allowance to directors and auditors who took office until that time. Since the final allowances are to be paid at the time of retirement based on each director or auditor's tenure as of June 29, 2005, the amount is booked as part of "Non-current accounts payable".

(4) Translation basis of important assets and/or liabilities denominated in foreign currencies

Receivables and/or payables denominated in foreign currencies are translated into Japanese yen by the spot exchange rates at the end of the fiscal year. Exchange gains or losses are charged to income. With respect to financial statements of overseas consolidated subsidiaries, balance sheets are translated into Japanese yen at exchange rates in effect at the balance sheet date for assets and liabilities. The average exchange rates for the fiscal year are used for translation of revenue and expenses. The difference resulting from translation in this manner are shown as Minority Interests and Translation Adjustments in Shareholders' equity.

(5) Important lease transactions

Finance leases that are deemed to transfer ownership of the leased assets to lessees are to be capitalized, while other finance leases are accounted for as operating lease transactions. Other finance leases are disclosed in the notes to Lease transactions information.

(6) Consumption tax

The consumption tax and the provincial consumption tax are recorded as asset / liability when they are paid / received.

5. Valuation of assets and liabilities of consolidated subsidiaries

Valuation of assets and liabilities of consolidated subsidiaries are under market price method.

6. Amortization of consolidated adjustment account

The amount of consolidated adjustment account is fully amortized in the same fiscal year as incurred.

7. Profit appropriation

The consolidated statements of surplus in respect of profit appropriation of consolidated companies are created based on appropriated profit which has settled during the annual accounting period.

8. Funds in consolidated statements of cash flows

Funds (cash and cash equivalents) in consolidated statements of cash flows cover cash on hand, deposits which are able to be withdrawn at any time, and short-term investments which are able to be cashed easily, with little risk of value fluctuation, for which the term of redemption come within three months from the acquisition date.

NOTES

Consolidated balance sheets information:

Yen in millions

	As of March 31, 2006	As of March 31, 2005
Accumulated depreciation of tangible assets	38,693	36,821

Consolidated statements of income information:

Yen in millions

	Year Ended March 31, 2006	Year Ended March 31, 2005
Research and development costs	30,596	20,513

Consolidated statements of cash flows information:

Reconciliation between cash and cash equivalents - ending and the amount shown on consolidated balance sheets

Yen in millions

	As of March 31, 2006	As of March 31, 2005
Cash and deposits account	812,064	826,653
Time deposits (over three months)	(234,618)	(39,784)
Short-term investment due within three months after acquisition	39,693	5,858
Cash and cash equivalents - Ending	617,139	792,727

[1] SEGMENT INFORMATION

1. Segment information by business categories

Because the company operates predominantly in one industry segment which is accounted for over 90% of total sales, operating income and total assets, this information is not applicable to our business.

2. Segment information by seller's location

Year ended March 31, 2006 Yen in millions

	Japan	The Americas	Europe	Other	Total	Eliminations or unallocated assets	Consolidated
Net Sales							
(1) Sales to third parties	161,929	210,493	129,869	6,956	509,249	-	509,249
(2) Inter-segment sales	249,890	1,996	8	77	251,974	(251,974)	-
Total	411,819	212,490	129,878	7,034	761,223	(251,974)	509,249
Cost of sales and selling, general, and administrative expenses	330,148	212,010	128,694	6,930	677,783	(258,883)	418,900
Operating income	81,671	480	1,183	104	83,439	6,909	90,349
Ⅱ Assets	975,312	145,474	68,729	3,151	1,192,666	(31,963)	1,160,703

Year ended March 31, 2005 Yen in millions

	Japan	The Americas	Europe	Other	Total	Eliminations or unallocated assets	Consolidated
Net Sales							
(1) Sales to third parties	131,102	256,119	121,353	6,717	515,292	-	515,292
(2) Inter-segment sales	311,941	1,880	9	99	313,931	(313,931)	-
Total	443,043	257,999	121,363	6,817	829,224	(313,931)	515,292
Cost of sales and selling, general, and administrative expenses	343,430	250,684	117,882	6,867	718,865	(315,095)	403,769
Operating income (loss)	99,613	7,314	3,480	(50)	110,359	1,163	111,522
Ⅱ Assets	970,681	152,763	72,590	3,966	1,200,001	(67,509)	1,132,492

3. Overseas sales

Year ended March 31, 2006 Yen in millions

	The Americas	Europe	Other	Total
Ⅰ Overseas sales	211,195	129,884	11,532	352,611
Ⅱ Consolidated net sales				509,249
Ⅲ Ratio of overseas sales to consolidated net sales	41.5%	25.5%	2.2%	69.2%

Year ended March 31, 2005 Yen in millions

	The Americas	Europe	Other	Total
Ⅰ Overseas sales	256,968	121,371	9,883	388,223
Ⅱ Consolidated net sales				515,292
Ⅲ Ratio of overseas sales to consolidated net sales	49.9%	23.5%	1.9%	75.3%

[2] LEASE TRANSACTIONS INFORMATION

This information is omitted, since it is disclosed on EDINET.

[3] RELATED PARTY TRANSACTIONS

Not applicable

[4] TAX EFFECT ACCOUNTING INFORMATION

Ⅰ. Year ended March 31, 2006

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

	Yen in millions
Deferred tax assets:	
Research and development costs	12,157
Inventory - write-downs and elimination of unrealized profit	8,513
Other accounts payable and accrued expenses	8,083
Accrued enterprise tax	3,374
Land	2,571
Unrealized loss on investments in securities	2,049
Depreciation	1,398
Reserve for employee retirement and severance benefits	1,187
Other	6,583
Gross deferred tax assets	45,918
Valuation allowance	(731)
Total deferred tax assets	45,186
Deferred tax liabilities:	
Unrealized gains on other securities	(7,324)
Undistributed retained earnings of affiliated companies	(2,111)
Other	(1,267)
Total deferred tax liabilities	(10,703)
Net deferred tax assets	34,483

2. Reconciliation of the statutory tax rate and the effective income tax rate

This information is omitted, since the difference is not more than five one-hundredth of the statutory tax rate.

Ⅱ. Year ended March 31, 2005

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

	Yen in millions
Deferred tax assets:	
Inventory - write-downs and elimination of unrealized profit	7,417
Research and development costs	6,998
Other accounts payable and accrued expenses	5,428
Accrued enterprise tax	3,452
Land	2,571
Unrealized loss on investments in securities	1,961
Reserve for employee retirement and severance benefits	1,336
Depreciation	1,059
Other	7,277
Gross deferred tax assets	37,502
Valuation allowance	(429)
Total deferred tax assets	37,073
Deferred tax liabilities:	
Unrealized gains on other securities	(4,917)
Undistributed retained earnings of affiliated companies	(1,769)
Other	(717)
Total deferred tax liabilities	(7,403)
Net deferred tax assets	29,669

2. Reconciliation of the statutory tax rate and the effective income tax rate

This information is omitted, since the difference is not more than five one-hundredth of the statutory tax rate.

[5] SECURITIES INFORMATION

As of March 31, 2006

Yen in millions

1. Marketable other securities

	Acquisition Cost	Book Value	Difference
(for which book value exceeds acquisition cost)			
Stocks	2,765	18,726	15,961
Bonds	26,868	28,948	2,079
Sub-total	29,634	47,675	18,041
(for which book value does not exceed acquisition cost)			
Stocks	6,918	6,529	(388)
Total	36,552	54,204	17,652

2. Sales of marketable other securities during the fiscal year ended March 31, 2006

Proceeds from sales	Gain on sales	Loss on sales
13,940	3,653	233

3. Contents and book value of major non-marketable securities

(1) Held-to-maturity bonds

Commercial paper	46,981

(2) Other securities

Preferred subscription certificate	10,000
Unlisted bonds	6,873

4. Redemption timing for held-to-maturity securities and bonds

	Due in one year or less	Due after one year and within five years
Commercial paper	46,981	-
Government bonds, etc.	17,305	18,516
Total	64,287	18,516

As of March 31, 2005

Yen in millions

1. Marketable other securities

	Acquisition Cost	Book Value	Difference
(for which book value exceeds acquisition cost)			
Stocks	12,954	24,913	11,958
Bonds	8,277	8,430	153
Sub-total	21,231	33,343	12,112
(for which book value does not exceed acquisition cost)			
Stocks	6,754	5,743	(1,010)
Bonds	24,177	23,515	(662)
Sub-total	30,932	29,258	(1,673)
Total	52,163	62,602	10,438

2. Contents and book value of major non-marketable securities

(1) Held-to-maturity bonds

Commercial paper	11,933

(2) Other securities

Preferred subscription certificate	11,000

3. Redemption timing for held-to-maturity securities and bonds

	Due in one year or less	Due after one year and within five years
Commercial paper	11,933	-
Government bonds, etc.	8,551	24,394
Total	20,485	24,394

[6] DERIVATIVE TRANSACTIONS INFORMATION

This information is omitted, since it is disclosed on EDINET.

[7] RETIREMENT AND SEVERANCE BENEFITS INFORMATION

Outline of retirement benefit plan

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

2. Retirement benefit obligation at the end of year

Yen in millions

	As of March 31, 2006	As of March 31, 2005
a. Retirement benefit obligation	(20,339)	(17,746)
b. Plan assets	17,718	12,918
c. Unfunded retirement benefit obligation	(2,620)	(4,828)
d Unrecognized actuarial difference	2,355	1,729
e. Unrecognized prior service cost	63	67
f. Unrecognized plan assets	-	(43)
g. Net pension liability recognized in the consolidated balance sheet	(201)	(3,074)
h. Prepaid pension cost	3,097	-
i. Reserve for employee retirement and severance benefits	(3,299)	(3,074)

3. Retirement benefit cost for the year

Yen in millions

	Year Ended March 31, 2006	Year Ended March 31, 2005
a. Service cost	1,333	1,291
b. Interest cost	619	504
c. Expected return on plan assets	(341)	(182)
d. Amortization of actuarial difference	(2,236)	(1,417)
e. Amortization of prior service cost	9	9
f. Retirement benefit cost	(615)	204
g. Other	637	607
h. Total	21	812

4. Basis of calculation for the year

	Year Ended March 31, 2006	Year Ended March 31, 2005
a. Method of attributing benefits to years of service	Straight-line basis	Straight-line basis
b. Discount rate	1.5% to 6.0%	1.3% to 6.0%
c. Expected return rate on plan assets	1.3% to 7.5%	0.0% to 8.0%
d. Amortization years of prior service cost	nine to ten years	one to ten years
e. Amortization years of actuarial difference	Mainly fully amortized in the same fiscal year as incurred	Mainly fully amortized in the same fiscal year as incurred

PRODUCTION, ORDERS, AND SALES INFORMATION

Production

Yen in millions

Business Category	Main Products		**Year Ended March 31, 2006**	Year Ended March 31, 2005
Electronic Entertainment Products	Hardware			
		Handheld	209,519	227,586
		Console	20,624	48,130
		Others	12,666	27,100
	Hardware Total		242,811	302,817
	Software			
		Handheld	185,611	148,744
		Console	59,206	85,240
	Software Total		244,817	233,984
	Total		487,629	536,801
Other	Playing Cards, Karuta etc.		1,113	1,340
Total			488,742	538,142

Orders

Yen in millions

Business Category	Main Products	**Year Ended March 31, 2006**		Year Ended March 31, 2005	
		Orders received	Orders in hand	Orders received	Orders in hand
Electronic Entertainment Products	Handheld	52,685	3,198	49,931	2,663
	Console	14,374	351	19,803	113
Total		67,059	3,549	69,734	2,777

Sales

Yen in millions

Business Category	Main Products		**Year Ended March 31, 2006**	Year Ended March 31, 2005
Electronic Entertainment Products	Hardware			
		Handheld	223,869	206,697
		Console	24,668	41,989
		Others	32,947	41,690
	Hardware Total		281,484	290,378
	Software			
		Handheld	172,661	145,604
		Console	50,503	74,429
		Royalty and content income	2,373	2,671
		Other	50	0
	Software Total		225,588	222,705
	Total		507,072	513,084
Other	Playing Cards, Karuta etc.		2,176	2,208
Total			509,249	515,292

NON-CONSOLIDATED FINANCIAL STATEMENTS

Nintendo Co., Ltd.

May 25, 2006

Nintendo Co., Ltd.
11-1 Kamitoba hokotate-cho,
Minami-ku, Kyoto 601-8501
Japan

FINANCIAL HIGHLIGHTS

1. Non-consolidated results for the years ended March 31, 2005 and 2006

(1) Non-consolidated operating results (Amounts below one million are rounded down)

	Net Sales		Operating Income		Income before Income Taxes and Extraordinary Items		Net Income	
	million yen	%	million yen	%	million yen	%	million yen	%
Year ended March 31, 2006	411,770	(7.1)	81,547	(18.1)	149,439	11.4	91,585	14.5
Year ended March 31, 2005	443,044	22.7	99,554	7.6	134,123	323.2	80,005	399.4

	Net Income per Share	Return on Equity (ROE)	Income before Income Tax and Extraordonary Items on Total Assets	Income before Income Tax and Extraordinary Items to Sales
	yen	%	%	%
Year ended March 31, 2006	709.55	10.9	14.9	36.3
Year ended March 31, 2005	606.65	9.8	14.2	30.3

[Note] Percentage for net sales, operating income, income before income taxes and extraordinary items, and net income show increase (decrease) from the previous annual accounting period.

(2) Cash dividend

	Annual Cash Dividend per Share			Total Dividend (Annual)	Dividend Payout Ratio	Dividend on Equity Capital
		Interim	Year-End			
	yen	yen	yen	million yen	%	%
Year ended March 31, 2006	390.00	70.00	320.00	49,886	55.0	5.8
Year ended March 31, 2005	270.00	70.00	200.00	35,121	44.5	4.3

(3) Non-consolidated financial position

	Total Assets	Shareholders' Equity	Ratio of Net Worth to Total Assets	Shareholders' Equity per Share
	million yen	million yen	%	yen
As of March 31, 2006	1,003,005	856,501	85.4	6,694.51
As of March 31, 2005	998,208	821,749	82.3	6,316.08

2. Forecast for the fiscal year ending March 2007 (April 1, 2006 - March 31, 2007)

	Net Sales	Income before Income Taxes and Extraordinary Items	Net Income	Annual Cash Dividend per Share		
				Interim	Year-End	
	million yen	million yen	million yen	yen	yen	yen
Six months ending Sept. 30, '06	200,000	23,000	14,000	70.00	-	-
Year ending March 31, 2007	500,000	85,000	50,000	-	70.00～	140.00～

Estimated annual earnings per share: 390.89 yen

* With respect to this forecast, please refer to page 4 for the forward-looking conditions and other related matters.

NON-CONSOLIDATED BALANCE SHEETS

Description \ Date	As of March 31, 2006 Amount	%	As of March 31, 2005 Amount	%	Change Amount
	million yen		million yen		million yen
(Assets)					
Ⅰ Current assets					
1 Cash and deposits	727,679		717,758		9,921
2 Notes receivable	1,345		1,393		(47)
3 Trade accounts receivable	39,678		69,786		(30,107)
4 Securities	17,305		8,551		8,753
5 Finished goods	2,934		12,879		(9,945)
6 Raw materials	10,437		2,798		7,638
7 Goods in process	95		166		(71)
8 Supplies	210		195		14
9 Deferred income taxes	16,135		12,989		3,146
10 Other current assets	40,417		24,806		15,610
11 Allowance for doubtful accounts	(1)		(65)		63
Total current assets	856,237	85.4	851,259	85.3	4,978
Ⅱ Fixed assets					
1 Property, plant and equipment					
(1) Buildings	12,951		13,575		(623)
(2) Structures	321		364		(43)
(3) Machinery and equipment	181		197		(16)
(4) Automobiles	20		25		(4)
(5) Furniture and fixtures	1,568		1,139		428
(6) Land	25,182		25,249		(67)
(7) Construction in progress	-		17		(17)
Total Property, plant and equipment	40,225	4.0	40,569	4.1	(344)
2 Intangible assets					
(1) Software	261		283		(22)
(2) Other intangible assets	9		12		(3)
Total intangible assets	270	0.0	296	0.0	(25)
3 Investments and other assets					
(1) Investments in securities	53,949		67,908		(13,958)
(2) Investment securities of affiliates	19,138		18,923		215
(3) Investments in affiliates	10,419		10,419		-
(4) Non-current receivable	2,718		2,648		69
(5) Deferred income taxes	7,685		8,614		(929)
(6) Other investments and other assets	15,077		215		14,861
(7) Allowance for doubtful accounts	(2,717)		(2,647)		(69)
Total investments and other assets	106,271	10.6	106,082	10.6	188
Total fixed assets	146,767	14.6	146,948	14.7	(181)
Total	**1,003,005**	**100.0**	**998,208**	**100.0**	**4,797**

Description \ Date	As of March 31, 2006 Amount	%	As of March 31, 2005 Amount	%	Change Amount
	million yen		million yen		million yen
(Liabilities)					
Ⅰ **Current liabilities**					
1 Notes payable	4,140		4,063		77
2 Trade accounts payable	75,932		102,434		(26,501)
3 Other accounts payable	10,900		11,994		(1,094)
4 Accrued income taxes	42,440		44,724		(2,284)
5 Advances received	228		429		(201)
6 Reserve for bonuses	1,732		1,650		81
7 Other current liabilities	10,284		8,883		1,401
Total current liabilities	145,659	14.5	174,180	17.5	(28,521)
Ⅱ **Non-current liabilities**					
1 Non-current accounts payable	844		461		382
2 Reserve for directors' retirement and severance benefits	-		1,816		(1,816)
Total non-current liabilities	844	0.1	2,278	0.2	(1,434)
Total liabilities	**146,503**	**14.6**	**176,459**	**17.7**	**(29,955)**
(Shareholders' equity)					
Ⅰ **Common stock**	**10,065**	**1.0**	**10,065**	**1.0**	**-**
Ⅱ **Additional paid-in capital**					
1 Capital reserve	11,584		11,584		-
2 Other additional paid-in capital					
Gain on disposal of treasury stock	0		0		0
Total additional paid-in capital	11,585	1.2	11,584	1.2	0
Ⅲ **Retained earnings**					
1 Legal reserve	2,516		2,516		-
2 Optional reserve					
(1) Special reserve	44		46		(2)
(2) General reserve	810,000		760,000		50,000
3 Unappropriated	166,686		160,238		6,447
Total retained earnings	979,247	97.6	922,801	92.4	56,445
Ⅳ **Unrealized gains on other securities**	**10,716**	**1.1**	**7,194**	**0.7**	**3,521**
Ⅴ **Treasury stock, at cost**	**(155,112)**	**(15.5)**	**(129,896)**	**(13.0)**	**(25,215)**
Total shareholders' equity	**856,501**	**85.4**	**821,749**	**82.3**	**34,752**
Total	**1,003,005**	**100.0**	**998,208**	**100.0**	**4,797**

NON-CONSOLIDATED STATEMENTS OF INCOME

Description / Period		Year Ended March 31, 2006 Amount	%	Year Ended March 31, 2005 Amount	%	Change Amount	%
		million yen		million yen		million yen	
Ⅰ	**Net Sales**	411,770	100.0	443,044	100.0	(31,274)	(7.1)
Ⅱ	**Cost of Sales**	261,855	63.6	294,661	66.5	(32,805)	(11.1)
	Gross margin	**149,914**	**36.4**	**148,382**	**33.5**	**1,531**	**1.0**
Ⅲ	**Selling, general, and administrative expenses**	68,366	16.6	48,828	11.0	19,538	40.0
	Operating income	**81,547**	**19.8**	**99,554**	**22.5**	**(18,006)**	**(18.1)**
Ⅳ	**Other income**	**68,472**	**16.6**	**34,988**	**7.9**	**33,483**	**95.7**
	1 Interest income	18,144		10,755		7,388	
	2 Dividend income	678		590		88	
	3 Foreign exchange gain	47,932		22,118		25,813	
	4 Other	1,716		1,524		192	
Ⅴ	**Other expenses**	**580**	**0.1**	**419**	**0.1**	**161**	**38.4**
	1 Sales discount	561		400		160	
	2 Other	19		18		1	
	Income before income taxes and extraordinary items	**149,439**	**36.3**	**134,123**	**30.3**	**15,315**	**11.4**
Ⅵ	**Extraordinary income**	**6,468**	**1.6**	**1,432**	**0.3**	**5,035**	**351.4**
	1 Reversal of allowance for doubtful accounts	73		872		(798)	
	2 Reversal of loss on investments in securities	1,408		-		1,408	
	3 Gain on sales of fixed assets	6		-		6	
	4 Gain on sales of investments in securities	3,653		-		3,653	
	5 Gain on redemption of investments in securities	82		-		82	
	6 Gain on liquidation of affiliates	5		560		(554)	
	7 Reversal of reserve for directors' retirement and severance benefits	1,236		-		1,236	
Ⅶ	**Extraordinary loss**	**1,648**	**0.4**	**1,820**	**0.4**	**(171)**	**(9.4)**
	1 Loss on disposal of fixed assets	31		12		19	
	2 Loss on investments in securities	1,383		1,612		(228)	
	3 Loss on sales of investments in securities	233		-		233	
	4 Loss on liquidation of affiliates	-		195		(195)	
	Income before income taxes and minority interests	**154,258**	**37.5**	**133,736**	**30.2**	**20,522**	**15.3**
	Provision for income taxes and enterprise taxes	67,297	16.4	47,751	10.8	19,545	40.9
	Income taxes deferred	(4,623)	(1.1)	5,979	1.3	(10,602)	(177.3)
	Net income	**91,585**	**22.2**	**80,005**	**18.1**	**11,579**	**14.5**
	Retained earnings brought forward	84,055		89,338		(5,283)	
	Interim cash dividend	8,954		9,105		(151)	
	Unappropriated retained earnings	**166,686**		**160,238**		**6,447**	

PROPOSAL OF APPROPRIATION

Description \ Period	**To be approved on June 29, 2006 at the Annual General Meeting of Shareholders**	Approved on June 29, 2005 at the Annual General Meeting of Shareholders
	Amount	Amount
	million yen	million yen
Ⅰ **Unappropriated retained earnings**	166,686	160,238
Ⅱ **Reversal of special reserve**		
1 Transfer from reserve for deferred fixed assets	2	2
Total	166,688	160,240
Allocation proposed as follows:		
Ⅲ **Allocation**		
1 Cash dividends	40,932	26,015
	(320.00 yen per share)	(200.00 yen per share)
2 Directors' bonuses	180	170
3 General reserve	50,000	50,000
Ⅳ **Retained earnings - carried forward**	75,576	84,055

The Company paid 8,954 million yen (70 yen per share) as interim dividend on December 9, 2005.

BASIS OF NON-CONSOLIDATED FINANCIAL STATEMENTS

1. A valuation basis and method of securities

Held-to-maturity bonds	Amortized cost method (by straight-line method)
Securities of subsidiaries and affiliates	Cost, determined by the moving average method
Other securities	
Marketable other securities	Market price method, based on the market value at balance sheet date (Losses are charged to income, and unrealized gains, net of tax are charged to shareholders' equity.)
Non-marketable other securities	Cost, determined by the moving average method

2. A valuation basis and method of derivatives

Market price method

3. A valuation basis and method of inventories

Lower of cost or market method, determined by the moving average method

4. Depreciation method of fixed assets

(1) Tangible assets

Declining balance method (Some equipment is depreciated over economic useful lives.)
Buildings (exclusive of structures) acquired on or after April 1, 1998 are depreciated using the straight-line method.
Estimated useful lives of the principal assets are as follows:
Buildings : 3 to 50 years

(2) Intangible assets

Straight-line method
As for software for the in-house use, straight-line method based on usable period (mainly five years) is applied.

5. Translation basis of assets and/or liabilities denominated in foreign currencies

Receivables and/or payables denominated in foreign currencies are translated into Japanese yen by the spot exchange rates at the end of the fiscal year. Exchange gains or losses are charged to income.

6. Allowance and reserve

(1) Allowance for doubtful accounts

The allowance for general accounts receivables is calculated with actual percentage of credit losses to provide against losses on bad debts, as well as calculating the allowance for each doubtful account with an estimated amount of potential bad debts.

(2) Reserve for bonuses

The reserve for bonuses is calculated with estimated prorated amount to be paid.

(3) Reserve for employee retirement and severance benefits

The reserve for employee retirement and severance benefits is calculated with actuarially projected amounts at the end of the accounting period, on the basis of the cost of retirement benefits and plan assets at the end of the current fiscal year.
Actuarial calculation difference is processed collectively in the accrued year.
In addition, because the Company's plan assets exceeded the cost of retirement benefits during the current consolidated accounting period, reserve for employee retirement and severance benefits is booked as "Prepaid plan assets" in "Other investments and other assets".
(Change in accounting procedure)
Effective as of the annual consolidated accounting period ended March, 2006, the Company adopted the partial amendment of "Corporate Accounting Standard No. 3 regarding Employee Retirement and Severance Benefits and its application guidelines No. 7", issued on March 16, 2005. This caused operating income, income before income taxes and extraordinary items, and income before income taxes and minority interests to increase by 2,677 million yen.

(4) Reserve for directors' retirement and severance benefits

In order to prepare for granting retirement allowances to directors and auditors, provisions based on regulations regarding payment of retirement allowances to directors and auditors have been recognized by the reporting company. At the Annual General Meeting of Shareholders held on June 29, 2005, the discontinuance of the directors and auditors retirement allowance system was approved along with payment of a final allowance to directors and auditors who took office until that time. Since the final allowances are to be paid at the time of retirement based on each director or auditor's tenure as of June 29, 2005, the amount is booked as part of "Non-current accounts payable".

7. Lease transactions

Finance leases that are deemed to transfer ownership of the leased assets to lessees are to be capitalized, while other finance leases are accounted for as operating lease transactions.

8. Other

Consumption tax

The consumption tax and the provincial consumption tax are recorded as asset / liability when they are paid / received.

NOTES TO NON-CONSOLIDATED FINANCIAL STATEMENTS

Balance sheets information:

Yen in millions
Shares in thousands

	As of March 31, 2006	As of March 31, 2005
1. Accumulated depreciation of tangible assets	23,542	23,529
2. Receivable from affiliates		
Trade accounts receivable	29,211	62,783
3. Guaranteed liabilities	3,434	3,377
<US$ in thousands>	*<US$29,239>*	*<US$31,450>*
4. Number of authorized shares	400,000	400,000
5. Number of issued and outstanding shares	141,669	141,669
6. The increase of net assets due to the increase of fair value of assets		
Net assets provided in the Implementing Regulations 124-3	10,447	5,990

Statements of income information:

Yen in millions

	As of March 31, 2006	As of March 31, 2005
1. Transactions with affiliates		
Net sales	252,490	314,347
2. Reseach and development costs	31,800	20,742

[1] LEASE TRANSACTIONS INFORMATION

This information is excluded, since it is disclosed on EDINET.

[2] SECURITIES INFORMATION

None of shares of subsidiaries or affiliates have market value as of this fiscal year-end and the previous fiscal year-end.

[3] TAX EFFECT ACCOUNTING INFORMATION

Year ended March 31, 2006

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

	Yen in millions
Deferred tax assets:	
Research and development costs	12,130
Accrued enterprise tax	3,374
Other accounts payable and accrued expenses	3,348
Inventory - write-downs	3,077
Land	2,571
Unrealized loss on investments in securities	2,049
Loss on investments in affiliates	1,903
Allowance for doubtful accounts	1,093
Other	2,613
Total deferred tax assets	32,163
Deferred tax liabilities:	
Unrealized gains on other securities	(7,324)
Other	(1,018)
Total deferred tax liabilities	(8,342)
Net deferred tax assets	23,820

2. Reconciliation of the statutory tax rate and the effective tax rate

This information is omitted, since the difference is not more than five one hundredth of the statutory tax rate.

Year ended March 31, 2005

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

	Yen in millions
Deferred tax assets:	
Research and development costs	6,963
Accrued enterprise tax	3,452
Inventory - write-downs	2,697
Land	2,571
Other accounts payable and accrued expenses	2,558
Loss on investments in affiliates	2,232
Unrealized loss on investments in securities	1,961
Allowance for doubtful accounts	1,059
Other	3,475
Total deferred tax assets	26,971
Deferred tax liabilities:	
Unrealized gains on other securities	(4,917)
Other	(450)
Total deferred tax liabilities	(5,367)
Net deferred tax assets	21,604

2. Reconciliation of the statutory tax rate and the effective income tax rate

This information is omitted, since the difference is not more than five one hundredth of the statutory tax rate.

DIRECTORS' CHANGE

(Scheduled date: June 29, 2006)

1. New director candidate:

Director/General Manager, General Affairs Division

Koji Yoshida (present position: General Manager, General Affairs Division)

SUPPLEMENTARY INFORMATION

1. CONSOLIDATED SALES UNITS, NUMBER OF NEW TITLES, AND FORECAST

Sales Units in Ten Thousands
Number of New Titles Released

			Twelve Months Apr. '05-Mar. '06	Twelve Months Apr. '04-Mar. '05	Life-to-Date through Mar. '06	Forecast Apr. '06-Mar. '07
Game Boy Advance	Hardware	Japan	100	234	1,655	
		The Americas	472	856	3,810	
		Other	261	449	2,048	
		Total	833	1,540	7,513	250 *1
of which Game Boy Advance SP		Japan	42	232	642	
		The Americas	426	791	2,095	
		Other	176	440	1,086	
		Total	644	1,464	3,823	
of which Game Boy Micro		Japan	58	-	58	
		The Americas	47	-	47	
		Other	79	-	79	
		Total	183	-	183	
	Software	Japan	728	1,554	6,982	
		The Americas	3,534	5,077	18,258	
		Other	1,674	1,826	7,533	
		Total	5,936	8,457	32,772	3,000
	New Titles	Japan	76	165	770	
		The Americas	170	181	866	
		Other	170	135	795	
Nintendo DS	Hardware	Japan	478	212	691	
		The Americas	292	219	511	
		Other	376	95	471	
		Total	1,146	527	1,673	1,600 *2
of which Nintendo DS Lite		Japan	58	-	58	
		The Americas	-	-	-	
		Other	-	-	-	
		Total	58	-	58	
	Software	Japan	2,152	382	2,534	
		The Americas	1,608	475	2,083	
		Other	1,235	192	1,427	
		Total	4,995	1,049	6,044	7,000
	New Titles	Japan	147	26	173	
		The Americas	97	18	115	
		Other	84	16	100	
Nintendo GameCube	Hardware	Japan	20	34	400	
		The Americas	172	261	1,217	
		Other	44	98	468	
		Total	235	392	2,085	-
	Software	Japan	298	509	2,697	
		The Americas	2,388	3,318	12,164	
		Other	592	1,015	4,046	
		Total	3,279	4,842	18,908	1,500
	New Titles	Japan	37	43	268	
		The Americas	84	99	509	
		Other	67	80	424	
Wii	Hardware		-	-	-	600
	Software		-	-	-	1,700

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

*1. The forecast is the combined total of Game Boy Advance, Game Boy Advance SP, and Game Boy Micro

*2. The forecast is the combined total of Nintendo DS and Nintendo DS Lite

2. OTHER CONSOLIDATED INFORMATION

Yen in Millions

		Twelve Months Apr. '05-Mar. '06	Twelve Months Apr. '04-Mar. '05	Forecast Apr. '06-Mar. '07
Capital investments		5,597	4,502	7,000
Depreciation expenses of tangible assets		3,442	2,783	4,500
Marketing expenses		55,442	53,756	58,000
		As of Mar. 31, 2006	As of Mar. 31, 2005	
Number of Employees		3,150	3,013	
		Twelve Months Apr. '05-Mar. '06	Twelve Months Apr. '04-Mar. '05	
Average Exchange Rate				
	US$1.00＝	¥113.31	¥107.55	¥110.00
	EUR1.00＝	¥137.86	¥135.19	¥140.00

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

U.S. Dollars / Euros in Millions

		As of Mar. 31, 2006		As of Mar. 31, 2005		Mar. 31, 2007
		Ending balance	Exchange rate	Ending balance	Exchange rate	Est. exchange rate
US$	Cash and Deposits	2,935	US$1.00＝	5,168	US$1.00＝	
	Accounts Receivable	116	¥117.47	345	¥107.39	¥110.00
EUR	Cash and Deposits	807	EUR1.00＝	400	EUR1.00＝	
	Accounts Receivable	106	¥142.81	172	¥138.87	¥140.00