



## Five-Year Summary

Years ended March 31,	¥ Japanese Yen in Millions					\$ U.S. Dollars in Thousands
	2011	2010	2009	2008	2007	2011
<b>For the Period</b>						
<b>Net sales</b>	¥1,014,345	¥1,434,365	¥1,838,622	¥1,672,423	¥966,534	\$12,221,031
<b>Operating income</b>	171,076	356,567	555,263	487,220	226,024	2,061,166
<b>Net income</b>	77,621	228,635	279,089	257,342	174,290	935,200
<b>At the Period-end</b>						
<b>Total assets</b>	1,634,297	1,760,986	1,810,767	1,802,490	1,575,597	19,690,330
<b>Property, plant and equipment</b>	80,864	79,586	71,064	55,150	57,600	974,275
<b>Total net assets</b>	¥1,281,861	¥1,336,585	¥1,253,931	¥1,229,973	¥1,102,018	\$15,444,115
Years ended March 31,	¥ Japanese Yen					\$ U.S. Dollars
	2011	2010	2009	2008	2007	2011
<b>Per Share Information</b>						
<b>Net income<sup>A</sup></b>	¥606.99	¥1,787.84	¥2,182.32	¥2,012.13	¥1,362.61	\$7.31
<b>Cash dividends<sup>B</sup></b>	¥450	¥930	¥1,440	¥1,260	¥690	\$5.42

[Note] A: The computation of net income per share of common stock is based on the weighted average number of shares outstanding (excluding treasury stock) during each fiscal year.  
B: Cash dividends per share represent the amounts applicable to the respective fiscal years including dividends to be paid after the end of each fiscal year.

## Stock Price Information

Years ended March 31,	¥ Japanese Yen				\$ U.S. Dollars	
	2011		2010		2011	
	Highest	Lowest	Highest	Lowest	Highest	Lowest
<b>First Quarter</b>	¥32,950	¥23,870	¥30,850	¥24,840	\$396.98	\$287.59
<b>Second Quarter</b>	27,160	20,710	27,000	22,300	327.22	249.51
<b>Third Quarter</b>	24,670	20,180	24,720	20,140	297.22	243.13
<b>Fourth Quarter</b>	26,780	20,000	32,650	22,130	322.65	240.96

[Note] The preceding table sets forth the highest and lowest sale prices during the years ended March 31, 2011 and 2010 for Nintendo Co., Ltd. common stock, as reported on the Osaka Securities Exchange, Section 1. Nintendo Co., Ltd. common stock is also traded on the Tokyo Stock Exchange, Section 1.

# Analysis of Operations and Financial Review

## Overview

Nintendo continues to pursue its basic strategy of *Gaming Population Expansion* by offering compelling products that anyone can enjoy, regardless of age, gender, or gaming experience.

During the fiscal year ended March 2011, to commemorate the 25th anniversary of Nintendo's major title *Super Mario Bros.*, special edition red versions of *Nintendo DSi XL* and *Wii* hardware were launched worldwide along with *Wii* software *Super Mario All-Stars Limited Edition* as the revival of *Super NES* software *Super Mario All-Stars*, combining various classic *Super Mario* titles. This sales promotion, appealing to those who had long been away from video games or never played video games before, as well as our existing users, contributed to strong sales.

In addition, within the handheld device segment of the electronic entertainment division, sales of *Pokémon Black Version* and *Pokémon White Version* became robust in and out of Japan. In the home console business, strong sales were realized on several titles including *Super Mario Galaxy 2*, an action game featuring Mario's adventures throughout the galaxy, *Wii Party*, which features party games that anyone can enjoy, *Donkey Kong Country Returns* in which the popular character runs, jumps and climbs while on a quest, and also titles launched during last fiscal year, such as *New Super Mario Bros. Wii* and *Wii Fit Plus*.

Furthermore, *Nintendo 3DS*, a new handheld device which allows 3D gameplay without the need for any special glasses, released in February in Japan and in March in the United States, Europe, and Australia, had a smooth start in sales at its launch.

However, compared to last year, when December 2009 had monthly record sales in our largest market, the United States, sales went down for both hardware and software. Sales went down in Japan and Europe as well.

As a result, the worldwide sales of the *Nintendo DS* series, *Nintendo 3DS*, and *Wii* hardware were 17.52 million units, 3.61 million units, and 15.08 million units respectively. The worldwide sales units of the *Nintendo DS* series, *Nintendo 3DS*, and *Wii* software were 120.98 million, 9.43 million and 171.26 million respectively. The number of million-seller titles life-to-date (including third-party publisher titles) for the *Nintendo DS* series increased from 114 to 139, while *Wii* increased from 79 to 103 titles, compared with the end of last fiscal year. *Nintendo 3DS* had two million-seller titles for this fiscal year.

Due to appreciation of the yen and the price reduction of *Nintendo DS* series hardware, net sales were 1,014.3 billion yen (US\$12,221 million) (of which overseas sales were 846.4 billion yen (US\$10,198 million), or 83.4% of the total sales) and operating income was 171.0 billion yen (US\$2,061 million). In addition, due to exchange losses totaling 49.4 billion yen (US\$595 million) primarily caused by the reevaluation of assets in foreign currencies, ordinary income was 128.1 billion yen (US\$1,543 million), and net income was 77.6 billion yen (US\$ 935 million).

## 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 the end of annual consolidated fiscal period ended March 31, 2011.

### (1) Risks around economic environment

#### •Fluctuation in foreign exchange rates

Nintendo distributes its products globally with overseas sales accounting for approximately 80% of total sales. The majority of monetary transactions are made in local currencies. In addition, the Company holds a substantial amount of assets in foreign currencies including cash and deposits without exchange contracts and so forth. Thus, fluctuation in foreign exchange rates would have a direct influence on earnings not only when foreign currencies are converted to Japanese yen but also when reevaluated for financial reporting purposes. Japanese yen appreciation against the U.S. dollar or Euro would have a negative impact on profitability.

(2) Risks around business activities

•Fluctuation of market environment and competition against other companies

Nintendo's business is engaged in one segment of the broad entertainment field. However, its business can be affected by trends in other entertainment fields. 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 be profitable due to large investments required in research, development and marketing. In addition, competition may intensify with enormous companies doing business in the same industry or in other entertainment fields. 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 is continuously making efforts to develop innovative and attractive products in the field of computer entertainment, the development process is complicated and includes many uncertainties. Various risks involved are as follows:

- a. 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.
- b. While development of hardware is time-consuming, with technology continuously advancing, it is possible that the Company may not be able to equip technologies required for entertainment. Furthermore, delays of hardware launches could adversely affect market share.
- c. Due to the nature of Nintendo products, it may become difficult to develop or sell the products as planned, which could lead to significant variances from income projections.

•Product valuation and adequate inventory procurement

Products in the video game industry have relatively short life cycles, and are significantly impacted by consumers' preferences as well as seasonality. Although production is projected based on the forecasted equilibrium point of supply and demand, it is difficult to forecast demand accurately, which may lead to excess inventory. Obsolete inventory could have an adverse effect on Nintendo's operations and financial position.

•Overseas business expansion and international activities

In addition to Japan, Nintendo engages in business in the Americas, Europe, Australia, Asia and other areas in the world. Expansion of business to these overseas markets involves risks such as a) unpredictable enforcement or changes in laws or regulations, b) disadvantages from emergence of political or economic factors, c) disadvantages from inconsistency of multilateral taxation systems and diversity of tax law interpretation, d) difficulty of recruiting and securing human resources, e) social disruption resulting from terrorist attacks, war, and other catastrophic events.

•Dependency on outside manufacturers

Nintendo commissions a number of outside manufacturers to produce key components or assemble finished products. In the event one or more of these businesses fail, Nintendo may have difficulty procuring key components or manufacturing its products. In addition, suppliers may be unable to provide necessary components on a timely basis. A shortage of key components could cause marginal decline due to higher costs, shortage of products and quality control issues. These issues may impair the relationship between Nintendo and its customers.

Furthermore, as many suppliers' production facilities are located overseas, potential production interruptions caused by societal violence, natural disasters or any other accidents in the area would negatively affect Nintendo's business.

•Business operations affected by seasonal fluctuation

A major portion of demand is focused around the holiday season. Should Nintendo fail to release attractive new products or supply hardware during the period, it would suffer unfavorable operating performance.

## Analysis of Operations and Financial Review

### (3) Risks around legal regulations and litigation

- Product liability

Nintendo manufactures its products based on quality control standards required in each location throughout the world. However, large-scale product recalls may occur due mainly to defective products, which may cause Nintendo to incur additional expenses and Nintendo's reputation may suffer as well as Nintendo's performance and financial position.

- Limitations of enforcing intellectual property rights

Although Nintendo continues to accumulate various intellectual properties to produce different products, counterfeit products already have gone into circulation and violated Nintendo's intellectual property rights. In the future, it may not be possible to fully enforce against every infringement of Nintendo's intellectual property rights.

- Leakage of personal and confidential information

Nintendo possesses personally identifiable information about its consumers, such as "Club Nintendo" membership information. If such personally identifiable information or any confidential information concerning development or business operations were ever breached or otherwise leaked outside of Nintendo, there would be an adverse affect on Nintendo's future operating performance, reputation, share price and financial condition.

- Changes in accounting standards and taxation systems

Unpredicted adoptions or changes in accounting standards or taxation systems could have an effect on Nintendo's performance and financial position. Conflict of views between Nintendo and the tax authorities may cause additional tax costs.

- Litigation

Nintendo's operations in Japan and overseas may be subject to litigation, disputes and other legal procedures. These issues may adversely affect Nintendo's performance.

- Other risks

Other than risks set forth above, factors such as uncollectibility of trade accounts receivable and notes receivable, collapse of financial institutions and environmental regulations may adversely affect Nintendo's performance and financial position.

## Report of Independent Auditor

### To the Board of Directors and Shareholders of Nintendo Co., Ltd.

We have audited the accompanying consolidated balance sheet of Nintendo Co., Ltd. and its subsidiaries (the "Company") as of March 31, 2011, and the related consolidated statements of income, consolidated statements of comprehensive income, changes in net assets and cash flows for the year then ended, all expressed in Japanese yen. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in Japan. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the consolidated financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall consolidated financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Nintendo Co., Ltd. and its subsidiaries as of March 31, 2011, and the consolidated results of their operations and their cash flows for the year then ended in conformity with accounting principles generally accepted in Japan.

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



Kyoto Audit Corporation  
Kyoto, Japan  
June 29, 2011

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## Report of Independent Auditor

### To the Board of Directors and Shareholders of Nintendo Co., Ltd.

We have audited the accompanying consolidated balance sheet of Nintendo Co., Ltd. and its subsidiaries (the "Company") as of March 31, 2010, and the related consolidated statements of income, changes in net assets, and cash flows for the year then ended, all expressed in Japanese yen. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in Japan. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the consolidated financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall consolidated financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Nintendo Co., Ltd. and its subsidiaries as of March 31, 2010, and the consolidated results of their operations and their cash flows for the year then ended in conformity with accounting principles generally accepted in Japan.

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



Kyoto Audit Corporation  
Kyoto, Japan  
June 28, 2010

# Consolidated Balance Sheets

As of March 31,	¥ Japanese Yen in Millions		\$ U.S. Dollars in Thousands (Note 1)
	2011	2010	2011
<b>Assets</b>			
<b>Current assets</b>			
Cash and deposits	¥812,870	¥886,995	\$9,793,618
Notes and accounts receivable-trade	135,689	131,876	1,634,810
Short-term investment securities	358,206	365,326	4,315,744
Finished goods	85,205	116,055	1,026,577
Work in process	438	90	5,278
Raw materials and supplies	7,069	8,528	85,173
Deferred tax assets	27,620	35,193	332,778
Other	42,362	48,389	510,388
Allowance for doubtful accounts	(756)	(1,067)	(9,115)
<b>Total current assets</b>	<b>1,468,706</b>	<b>1,591,388</b>	<b>17,695,254</b>
<b>Noncurrent assets</b>			
<b>Property, plant and equipment (Note 6 A)</b>			
Buildings and structures, net	27,124	16,037	326,802
Machinery, equipment and vehicles, net	4,851	1,797	58,447
Tools, furniture and fixtures, net	5,787	5,259	69,726
Land	41,606	42,488	501,288
Construction in progress	1,494	14,003	18,009
<b>Total property, plant and equipment</b>	<b>80,864</b>	<b>79,586</b>	<b>974,275</b>
<b>Intangible assets</b>			
Software	3,553	949	42,808
Other	1,986	3,162	23,928
<b>Total intangible assets</b>	<b>5,539</b>	<b>4,111</b>	<b>66,737</b>
<b>Investments and other assets</b>			
Investment securities (Note 6 B)	38,228	44,057	460,586
Deferred tax assets	35,017	35,929	421,897
Other	5,940	5,926	71,578
Allowance for doubtful accounts	(0)	(13)	(0)
<b>Total investments and other assets</b>	<b>79,187</b>	<b>85,899</b>	<b>954,062</b>
<b>Total noncurrent assets</b>	<b>165,591</b>	<b>169,598</b>	<b>1,995,075</b>
<b>Total assets</b>	<b>¥1,634,297</b>	<b>¥1,760,986</b>	<b>\$19,690,330</b>

See accompanying notes to consolidated financial statements.

As of March 31,	¥ Japanese Yen in Millions		\$ U.S. Dollars in Thousands (Note 1)
	2011	2010	2011
<b>Liabilities</b>			
<b>Current liabilities</b>			
Notes and accounts payable-trade	¥214,646	¥264,613	\$2,586,107
Income taxes payable	32,301	55,666	389,173
Provision for bonuses	2,431	2,174	29,292
Other	83,922	85,082	1,011,110
<b>Total current liabilities</b>	<b>333,301</b>	<b>407,537</b>	<b>4,015,683</b>
<b>Noncurrent liabilities</b>			
Provision for retirement benefits	11,647	9,924	140,327
Other	7,486	6,939	90,203
<b>Total noncurrent liabilities</b>	<b>19,134</b>	<b>16,863</b>	<b>230,530</b>
<b>Total liabilities</b>	<b>352,435</b>	<b>424,401</b>	<b>4,246,214</b>
<b>Net assets</b>			
<b>Shareholders' equity</b>			
Capital stock	10,065	10,065	121,269
Capital surplus	11,734	11,733	141,379
Retained earnings	1,502,631	1,527,315	18,103,990
Treasury stock	(156,663)	(156,585)	(1,887,517)
<b>Total shareholders' equity</b>	<b>1,367,767</b>	<b>1,392,528</b>	<b>16,479,122</b>
<b>Other accumulated comprehensive income</b>			
Valuation difference on available-for-sale securities	(917)	1,661	(11,055)
Foreign currency translation adjustment	(85,212)	(57,778)	(1,026,654)
<b>Total other accumulated comprehensive income</b>	<b>(86,129)</b>	<b>(56,117)</b>	<b>(1,037,709)</b>
<b>Minority interests</b>	<b>224</b>	<b>174</b>	<b>2,703</b>
<b>Total net assets</b>	<b>1,281,861</b>	<b>1,336,585</b>	<b>15,444,115</b>
<b>Total liabilities and net assets</b>	<b>¥1,634,297</b>	<b>¥1,760,986</b>	<b>\$19,690,330</b>

See accompanying notes to consolidated financial statements.



## Consolidated Statements of Income

Years ended March 31,	¥ Japanese Yen in Millions		\$ U.S. Dollars in Thousands (Note 1)
	2011	2010	2011
<b>Net sales</b>	¥1,014,345	¥1,434,365	\$12,221,031
<b>Cost of sales (Notes 7 A, C)</b>	626,379	859,131	7,546,742
<b>Gross profit</b>	387,965	575,234	4,674,289
<b>Selling, general and administrative expenses (Notes 7 B,C)</b>	216,889	218,666	2,613,122
<b>Operating income</b>	171,076	356,567	2,061,166
<b>Non-operating income</b>			
Interest income	6,870	8,512	82,776
Other	1,731	2,570	20,862
<b>Total non-operating income</b>	8,602	11,082	103,638
<b>Non-operating expenses</b>			
Sales discounts	479	587	5,782
Loss on redemption of securities	-	2,131	-
Foreign exchange losses	49,429	204	595,538
Other	1,667	401	20,094
<b>Total non-operating expenses</b>	51,577	3,325	621,415
<b>Ordinary income</b>	128,101	364,324	1,543,389
<b>Extraordinary income</b>			
Reversal of allowance for doubtful accounts	56	1,207	680
Gain on sales of noncurrent assets (Note 7 D)	105	126	1,275
Gain on sales of investment securities	24	-	293
Gain on prior periods adjustment (Note 7 F)	-	4,065	-
<b>Total extraordinary income</b>	186	5,399	2,249
<b>Extraordinary loss</b>			
Loss on disposal of noncurrent assets (Note 7 E)	30	67	372
Loss on sales of investment securities	0	-	-
Loss on valuation of investment securities	322	-	3,884
Loss on prior periods adjustment (Note 7 G)	-	2,215	-
<b>Total extraordinary losses</b>	353	2,282	4,256
<b>Income before income taxes and minority interests</b>	127,934	367,442	1,541,382
<b>Income taxes-current</b>	41,627	136,319	501,540
<b>Income taxes-deferred</b>	8,634	2,576	104,035
<b>Total income taxes</b>	50,262	138,896	605,575
<b>Income before minority interests</b>	77,671	-	935,806
<b>Minority interests in income (loss)</b>	50	(89)	606
<b>Net income</b>	¥77,621	¥228,635	\$935,200

See accompanying notes to consolidated financial statements.

## Consolidated Statements of Comprehensive Income

Years ended March 31,	¥ Japanese Yen in Millions		\$ U.S. Dollars in Thousands (Note 1)
	2011	2010	2011
Income before minority interests	¥77,671	-	\$935,806
Other comprehensive income			
Valuation difference on available-for-sale securities	(2,582)	-	(31,112)
Foreign currency translation adjustment	(27,433)	-	(330,527)
Share of other comprehensive income of associates accounted for using equity method	3	-	41
Total other comprehensive income (Note 8 B)	(30,012)	-	(361,598)
Comprehensive income (Note 8 A)	47,659	-	574,208
(Comprehensive income attributable to)			
Comprehensive income attributable to owners of the parent	47,608	-	573,602
Comprehensive income attributable to minority interests	¥50	-	\$606

See accompanying notes to consolidated financial statements.

## Consolidated Statements of Changes in Net Assets

¥										
Japanese Yen in Millions										
Years ended March 31, 2011 and 2010	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Total other accumulated comprehensive income	Minority interests	Total net assets
<b>Balance as of March 31, 2009</b>	¥10,065	¥11,726	¥1,432,958	¥(156,516)	¥1,298,234	¥3,100	¥(47,428)	¥(44,328)	¥25	¥1,253,931
<b>Changes of items during the fiscal year</b>										
Dividends from surplus	-	-	(134,278)	-	(134,278)	-	-	-	-	(134,278)
Net income	-	-	228,635	-	228,635	-	-	-	-	228,635
Purchase of treasury stock	-	-	-	(74)	(74)	-	-	-	-	(74)
Disposal of treasury stock	-	6	-	5	11	-	-	-	-	11
Net changes of items other than shareholders' equity	-	-	-	-	-	(1,439)	(10,349)	(11,788)	148	(11,640)
<b>Total changes of items during the fiscal year</b>	-	6	94,356	(68)	94,294	(1,439)	(10,349)	(11,788)	148	82,653
<b>Balance as of March 31, 2010</b>	10,065	11,733	1,527,315	(156,585)	1,392,528	1,661	(57,778)	(56,117)	174	1,336,585
<b>Changes of items during the fiscal year</b>										
Dividends from surplus	-	-	(102,305)	-	(102,305)	-	-	-	-	(102,305)
Net income	-	-	77,621	-	77,621	-	-	-	-	77,621
Purchase of treasury stock	-	-	-	(79)	(79)	-	-	-	-	(79)
Disposal of treasury stock	-	1	-	1	2	-	-	-	-	2
Net changes of items other than shareholders' equity	-	-	-	-	-	(2,578)	(27,433)	(30,012)	50	(29,962)
<b>Total changes of items during the fiscal year</b>	-	1	(24,683)	(78)	(24,761)	(2,578)	(27,433)	(30,012)	50	(54,723)
<b>Balance as of March 31, 2011</b>	¥10,065	¥11,734	¥1,502,631	¥(156,663)	¥1,367,767	¥(917)	¥(85,212)	¥(86,129)	¥224	¥1,281,861

  

\$										
U.S. Dollars in Thousands (Note 1)										
Years ended March 31, 2011	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Total other accumulated comprehensive income	Minority interests	Total net assets
<b>Balance as of March 31, 2010</b>	\$121,269	\$141,364	\$18,401,386	\$(1,886,568)	\$16,777,452	\$20,015	\$(696,126)	\$(676,111)	\$2,097	\$16,103,438
<b>Changes of items during the fiscal year</b>										
Dividends from surplus	-	-	(1,232,597)	-	(1,232,597)	-	-	-	-	(1,232,597)
Net income	-	-	935,200	-	935,200	-	-	-	-	935,200
Purchase of treasury stock	-	-	-	(962)	(962)	-	-	-	-	(962)
Disposal of treasury stock	-	15	-	14	29	-	-	-	-	29
Net changes of items other than shareholders' equity	-	-	-	-	-	(31,071)	(330,527)	(361,598)	606	(360,992)
<b>Total changes of items during the fiscal year</b>	-	15	(297,396)	(948)	(298,329)	(31,071)	(330,527)	(361,598)	606	(659,322)
<b>Balance as of March 31, 2011</b>	\$121,269	\$141,379	\$18,103,990	\$(1,887,517)	\$16,479,122	\$(11,055)	\$(1,026,654)	\$(1,037,709)	\$2,703	\$15,444,115

See accompanying 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)
	2011	2010	2011
<b>Net cash provided by (used in) operating activities</b>			
Income before income taxes and minority interests	¥127,934	¥367,442	\$1,541,382
Depreciation and amortization	6,794	7,098	81,863
Increase (decrease) in allowance for doubtful accounts	(221)	(2,867)	(2,673)
Increase (decrease) in provision for retirement benefits	2,586	41	31,160
Interest and dividends income	(7,113)	(8,767)	(85,710)
Foreign exchange losses (gains)	39,464	(16,888)	475,480
Equity in (earnings) losses of affiliates	40	58	491
Decrease (increase) in notes and accounts receivable-trade	(12,377)	3,833	(149,124)
Decrease (increase) in inventories	20,109	13,380	242,281
Increase (decrease) in notes and accounts payable-trade	(42,172)	(50,731)	(508,101)
Increase (decrease) in accrued consumption taxes	(2,908)	1,061	(35,044)
Other, net	3,515	(1,825)	42,355
<b>Sub-total</b>	<b>135,652</b>	<b>311,837</b>	<b>1,634,362</b>
Interest and dividends income received	7,676	9,595	92,485
Interest expenses paid	(2)	(2)	(30)
Income taxes paid	(65,222)	(161,091)	(785,810)
<b>Net cash provided by (used in) operating activities</b>	<b>78,103</b>	<b>160,337</b>	<b>941,006</b>
<b>Net cash provided by (used in) investing activities</b>			
Payments into time deposits	(391,444)	(288,968)	(4,716,203)
Proceeds from withdrawal of time deposits	398,561	247,925	4,801,941
Purchase of short-term investment securities	(613,423)	(566,926)	(7,390,640)
Proceeds from sales and redemption of securities	476,912	619,400	5,745,927
Purchase of property, plant and equipment	(10,940)	(17,127)	(131,818)
Proceeds from sales of property, plant and equipment	536	135	6,465
Purchase of investment securities	(13,468)	(1,075)	(162,265)
Other, net	(771)	(6,092)	(9,295)
<b>Net cash provided by (used in) investing activities</b>	<b>(154,038)</b>	<b>(12,728)</b>	<b>(1,855,889)</b>
<b>Net cash provided by (used in) financing activities</b>			
Purchase of treasury stock	(79)	(74)	(962)
Cash dividends paid	(102,314)	(134,137)	(1,232,702)
Other, net	(61)	364	(744)
<b>Net cash provided by (used in) financing activities</b>	<b>(102,456)</b>	<b>(133,847)</b>	<b>(1,234,410)</b>
<b>Effect of exchange rate change on cash and cash equivalents</b>	<b>(28,576)</b>	<b>23,442</b>	<b>(344,292)</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(206,967)</b>	<b>37,203</b>	<b>(2,493,585)</b>
<b>Cash and cash equivalents at beginning of year</b>	<b>931,333</b>	<b>894,129</b>	<b>11,220,890</b>
<b>Cash and cash equivalents at end of year (Note 10)</b>	<b>¥724,366</b>	<b>¥931,333</b>	<b>\$8,727,304</b>

See accompanying notes to consolidated financial statements.

# Notes to Consolidated Financial Statements

Years ended March 31, 2011 and 2010

## Note 1. Basis of Presenting Consolidated Financial Statements

The accompanying consolidated financial statements of Nintendo Co., Ltd. (the "Company") and its consolidated subsidiaries are compiled from the consolidated financial statements prepared by the Company as requested by the Financial Instruments and Exchange Act of Japan and are prepared on the basis of accounting principles and practices generally accepted in Japan, which are different in certain respects as to application and disclosure requirements of the International Financial Reporting Standards. The financial statements of the Company and its domestic subsidiaries are prepared on the basis of the accounting and relevant legal requirements in Japan. The financial statements of the overseas consolidated subsidiaries are prepared on the basis of the accounting and relevant legal requirements of their countries of domicile and no adjustment has been made to their financial statements in consolidation to the extent that significant differences do not occur, as allowed under the generally accepted accounting principles and practices in Japan.

As permitted by the Financial Instruments and Exchange Act of Japan, each amount of the accompanying consolidated financial statements is rounded down to the nearest one million yen (In the case of translation into U.S. dollars, it is rounded down to the nearest one thousand dollars). Consequently, the totals shown in the accompanying consolidated financial statements do not necessarily agree with the sums of the individual amounts.

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 rate of ¥83 to U.S.\$1, the approximate current rate of exchange on March 31, 2011, has been applied for the purpose of presentation of the accompanying consolidated financial statements in U.S. dollars. These amounts in U.S. dollars are included solely for convenience and should not be construed as representations that the Japanese yen amounts actually represent, have been or could be converted into U.S. dollars at this or any other rate of exchange.

The accompanying 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.

## Note 2. Significant Accounting Policies

### A. Principles of Consolidation

The accompanying consolidated financial statements include the accounts of the Company and all of its 26 subsidiaries except for one as of March 31, 2011 and 2010. One of the subsidiaries, Fukuei Co., Ltd, is not only unconsolidated, but also not being accounted for under the equity method, as it is a small scale company and its impact is not significant on the total assets, net sales, net income or loss, retained earnings and others in the consolidated financial statements. The equity method of accounting is applied to four affiliates out of five as of March 31, 2011 and 2010. One of the affiliates, Ape inc., is not accounted for under the equity method, as it is immaterial and its impact is not significant on net income or loss, retained earnings and others in the consolidated financial statements. The names of the major subsidiaries and affiliates are shown in "Corporate information" at page 49.

All the consolidated subsidiaries have adopted March 31, the closing date of the accompanying consolidated financial statements, as their fiscal year end except for Nintendo Phuten Co., Ltd., iQue Ltd. and iQue (China) Ltd. of December 31 as of March 31, 2011 and except for Nintendo Phuten Co., Ltd., Retro Studios, Inc., iQue Ltd. and iQue (China) Ltd. of December 31 and MONOLITH SOFTWARE INC. of the end of February as of March 31, 2010. The amounts of these subsidiaries have been included on the basis of their fiscal periods as the differences in the closing dates are within three months prior to March 31. Besides, the amounts of certain affiliates have been included on the basis of their fiscal periods within three months prior to March 31. Any necessary adjustments were made to financial statements to reflect any significant transactions from their closing dates to March 31, 2011 and 2010.

From the year ended March 31, 2011, the closing dates of Retro Studios, Inc. and MONOLITH SOFTWARE INC. have changed from December 31 and the end of February to March 31. In accordance with the change, the number of months included in the fiscal year ended March 31, 2011 is 15 and 13, respectively.

## **B. Securities and Derivatives**

### Securities

Held-to-maturity debt securities are stated using amortized cost method on a straight-line basis. Other investment securities for which market quotations are available are stated at fair value at the balance sheet date. Unrealized gains and losses on other investment securities are recorded as "Valuation difference on available-for-sale securities" in "Net assets" at the net-of-tax amount. The cost of investment securities sold is determined based on the moving average cost.

Other investment securities for which market quotations are unavailable are stated at cost, determined by the moving average method.

### Derivatives

Derivatives are stated at fair value.

## **C. Inventories**

Finished goods, work in process and raw materials and supplies are mainly measured by means of the cost method based on the moving average method, which evaluates the amount of the inventories shown on the balance sheet by the write-down of inventories due to decreased profitability of assets.

## **D. Property, Plant and Equipment**

The Company and its domestic consolidated subsidiaries compute depreciation by the declining balance method over the estimated useful lives except for certain tools, furniture and fixtures depreciated over the economic useful lives. The straight-line basis of depreciation is used for buildings, except for structures, acquired on or after April 1, 1998. Overseas consolidated subsidiaries compute depreciation by applying the straight-line basis over the period of estimated useful lives. Estimated useful lives of "Buildings and structures," one of the principal assets, are 3 to 60 years.

Leased assets are excluded from property, plant and equipment.

## **E. Intangible Assets**

Amortization of intangible assets, except for computer software for internal use, is computed by the straight-line basis over the estimated useful lives. Amortization of computer software for internal use is computed by the straight-line basis over the estimated internal useful lives of mainly five years.

Leased assets are excluded from intangible assets.

## **F. Leased Assets**

Leased assets related to finance lease transactions that do not transfer ownership are depreciated on a straight-line basis, with the lease periods used as their useful lives and no residual value.

## **G. Allowance for Doubtful Accounts**

The Company and its domestic consolidated subsidiaries provide the allowance for doubtful accounts based on the historical analysis of loss experience and the evaluation of uncollectible amount on individual doubtful accounts. Overseas consolidated subsidiaries provide the allowance for doubtful accounts based on the evaluation of uncollectible amount on individual accounts.

## **H. Provision for Bonuses**

The Company and certain consolidated subsidiaries provide the reserve for the estimated amount of bonuses to be paid to the employees.

## **I. Provision for Retirement Benefits**

The Company and certain consolidated subsidiaries provide the reserve for employees' retirement and severance benefits based on the projected benefit obligation and plan assets at the end of fiscal year.

Actuarial calculation differences are processed collectively in the accrued year.

# Notes to Consolidated Financial Statements

Years ended March 31, 2011 and 2010

## J. Translation of Foreign Currency Items

All the monetary receivables and payables of the Company and its domestic consolidated subsidiaries denominated in foreign currencies are translated into Japanese yen at the exchange rate in effect at the respective balance sheet dates. The foreign exchange gains and losses from translation are recognized in the accompanying consolidated statements of income.

With respect to financial statements of overseas subsidiaries, the balance sheet accounts are translated into Japanese yen at the exchange rate of the closing date except for shareholders' equity, which are translated at the historical rates. Revenue and expense accounts are translated into Japanese yen at the annual average exchange rate for the fiscal period. The differences resulting from such translations are included in "Foreign currency translation adjustment" or "Minority interests" in "Net assets."

## K. Amortization of Goodwill

Goodwill is fully amortized by the straight-line basis over mainly five years or, in case of immaterial amount, in the same fiscal year as incurred.

## L. Cash and Cash Equivalents in Consolidated Statements of Cash Flows

"Cash and cash equivalents" include cash on hand, time deposit which can be withdrawn on demand and certain investments, with little risk of fluctuation in value and maturity date of three months or less, which are promptly convertible to cash.

## M. Accounting for Consumption Taxes

Consumption taxes are recorded as assets or liabilities when they are paid or received.

## Note 3. Changes in Accounting Policies

### A. Equity

Effective as of the fiscal year ended March 31, 2011, the "Accounting Standard for Equity Method of Accounting for Investments" (Accounting Standards Board of Japan Statement No.16 released on March 10, 2008) and "Practical Solution on Unification of Accounting Policies Applied to Associates Accounted for Using the Equity Method" (Practical Issues Task Force No.24 dated March 10, 2008) have been adopted.

There is no impact on ordinary income or income before income taxes and minority interests.

### B. Asset Retirement Obligations

Effective as of the fiscal year ended March 31, 2011, the "Accounting Standard for Asset Retirement Obligations" (Accounting Standards Board of Japan Statement No.18 dated March 31, 2008) and the "Guidance on Accounting Standard for Asset Retirement Obligations" (Accounting Standards Board of Japan Guidance No.21 dated March 31, 2008) have been adopted.

There is no impact on ordinary income or income before income taxes and minority interests.

### C. Accounting Standard for Financial Instruments

Effective as of the fiscal year ended March 31, 2010, the "Accounting Standard for Financial Instruments" (Accounting Standards Board of Japan Statement No.10 dated January 22, 1999 and its last amendment was March 10, 2008) and "Guidance on Disclosures about Fair Value of Financial Instruments" (Accounting Standards Board of Japan Guidance No.19 dated March 10, 2008) have been adopted.

There is no impact on ordinary income or income before income taxes and minority interests.

### D. Investment Securities

Unrealized gains or losses on other investment securities for which market quotations are available had been accounted for using the partial net asset recording method. Effective as of the fiscal year ended March 31, 2010, in order to improve comparability with other companies, the accounting method has been changed to the whole net asset recording method. The impact of this change to the fiscal year ended March 31, 2010 increases ordinary income and income before income taxes and minority interests in income by ¥4,966 million and ¥2,669 million, respectively, compared to the previous method.

### E. Provision for Retirement Benefits

Effective as of the fiscal year ended March 31, 2010, the "Partial Amendments to Accounting Standard for Retirement Benefits (Part 3)" (Accounting Standards Board of Japan Statement No.19 dated July 31, 2008) has been adopted.

The impact on operating income, ordinary income and income before income taxes and minority interests is minor.

## Note 4. Changes in Description

### A. Consolidated Balance Sheets

Effective as of the consolidated accounting period ended March 31, 2010, "Long-term accounts payable-other," has been included in "Other" due to their immateriality.

### B. Consolidated Statements of Income

Effective as of the consolidated accounting period ended March 31, 2011, "Loss on redemption of securities," individually described in the 2010 accompanying consolidated statements of income, has been included in "Other" due to their immateriality. "Other" in the 2011 accompanying consolidated statements of income included ¥809 million (\$9,749 thousand) of "Loss on redemption of securities."

Effective as of the consolidated accounting period ended March 31, 2011, under the "Accounting Standard for Consolidated Financial Statements" (Accounting Standards Board of Japan Statement No.22 dated December 26, 2008), the "Cabinet Office Ordinance Partially Revising Regulation for Financial Statement, etc." (Cabinet Office Ordinance No.5 dated March 24, 2009) has been adopted and the account "Income before minority interests" has been presented.

Effective as of the consolidated accounting period ended March 31, 2010, "Selling, general and administrative expenses," has been described in a lump and material accounts and amounts are noted.

Material accounts and amounts of "Selling, general and administrative expenses" in the consolidated accounting period ended March 31, 2011 and 2010 were presented in the following "Note 7. Note to Consolidated Statements of Income."

Effective as of the consolidated accounting period ended March 31, 2010, "Interest expenses," has been included in "Other" due to its immateriality.

Effective as of the consolidated accounting period ended March 31, 2010, "Loss on redemption of securities" has been individually described from the perspective of materiality.

### C. Consolidated Statements of Cash Flows

Effective as of the consolidated accounting period ended March 31, 2010, "Interest expenses," has been included in "Other" in the net cash provided by (used in) operating activities due to their immateriality.

## Note 5. Additional Information

### Comprehensive Income

Effective as of the fiscal year ended March 31, 2011, the "Accounting Standard for Presentation of Comprehensive Income" (Accounting Standards Board of Japan Statement No.25 dated June 30, 2010) has been adopted.

However, regarding "Other accumulated comprehensive income" and "Total other accumulated comprehensive income" for the fiscal year ended March 31, 2010, amounts for "Valuation and translation adjustments" and "Total valuation and translation adjustments" have been stated.

## Note 6. Note to Consolidated Balance Sheets

### A. Accumulated Depreciation of Property, Plant and Equipment

Accumulated depreciation of property, plant and equipment were ¥51,577 million (\$621,409 thousand) and ¥51,637 million as of March 31, 2011 and 2010, respectively.

### B. Investments in Unconsolidated Subsidiaries and Affiliates

Investments in unconsolidated subsidiaries and affiliates were ¥6,000 million (\$72,297 thousand) and ¥5,940 million as of March 31, 2011 and 2010, respectively.



# Notes to Consolidated Financial Statements

Years ended March 31, 2011 and 2010

## Note 7. Note to Consolidated Statements of Income

### A. Valuation Losses on Goods

Losses incurred from the application of the write-down of inventories due to decreased profitability of assets and charged to "Cost of sales" were ¥4,236 million (\$51,044 thousand) and ¥4,571 million for the years ended March 31, 2011 and 2010, respectively.

### B. Selling, General and Administrative Expenses

Advertising expenses were ¥96,359 million (\$1,160,963 thousand) and ¥100,217 million, research and development expenses were ¥52,625 million (\$634,043 thousand) and ¥45,461 million, salaries, allowances and bonuses were ¥19,016 million (\$229,116 thousand) and ¥19,469 million, depreciation were ¥4,435 million (\$53,443 thousand) and ¥3,469 million, provision for bonuses were ¥915 million (\$11,026 thousand) and ¥752 million, and provision of allowance for doubtful accounts were ¥92 million (\$1,111 thousand) and ¥399 million for the years ended March 31, 2011 and 2010, respectively.

### C. Research and Development Expenses

Research and development expenses incurred and charged to "Selling, general and administrative expenses" and "Cost of sales" were ¥52,756 million (\$635,619 thousand) and ¥45,471 million in total for the years ended March 31, 2011 and 2010, respectively.

### D. Gain on Sales of Noncurrent Assets

Gross realized gains were ¥104 million (\$1,262 thousand) on sales of land and ¥1 million (\$13 thousand) on sales of machinery, equipment and vehicles for the year ended March 31, 2011, and were ¥74 million on sales of land and ¥52 million on sales of buildings and structures for the year ended March 31, 2010.

### E. Loss on Disposal of Noncurrent Assets

Gross realized losses were ¥16 million (\$193 thousand) on disposal of tools, furniture and fixtures, ¥13 million (\$160 thousand) on disposal of buildings and structures and ¥1 million (\$18 thousand) on disposal of machinery, equipment and vehicles for the year ended March 31, 2011, and were ¥55 million on disposal of buildings and structures, ¥6 million on disposal of machinery, equipment and vehicles and ¥5 million on disposal of tools, furniture and fixtures for the year ended March 31, 2010.

### F. Gain on Prior Periods Adjustment

"Gain on prior periods adjustment" is the amount of refund for the penalties of a law suit paid in prior years for the consolidated accounting period ended March 31, 2010.

### G. Loss on Prior Periods Adjustment

"Loss on prior periods adjustments" is the amount of adjustments related to prior years in connection with redeemable points (by Club Nintendo points etc.). Effective as of the consolidated accounting period ended March 31, 2010, the granted points have been treated as deferred sales. Prior to the period, they were expensed.

## Note 8. Note to Consolidated Statements of Comprehensive Income

### A. Comprehensive Income

	¥ Japanese Yen in Millions
Year ended March 31, 2010	
<b>Comprehensive Income</b>	
Comprehensive income attributable to owners of the parent	¥216,846
Comprehensive income attributable to minority interests	(89)
<b>Total</b>	<u>¥216,757</u>

### B. Other Comprehensive Income

	¥ Japanese Yen in Millions
Year ended March 31, 2010	
<b>Other comprehensive income</b>	
Valuation difference on available-for-sale securities	¥(1,434)
Foreign currency translation adjustment	(10,349)
Share of other comprehensive income of associates accounted for using equity method	(4)
<b>Total</b>	<u>¥(11,788)</u>

## Note 9. Note to Consolidated Statements of Changes in Net Assets

Number of outstanding shares					
	As of March 31, 2010	Increase in the number of shares	Decrease in the number of shares	As of March 31, 2011	
<b>Common stock</b>	141,669,000	-	-	141,669,000	
Number of treasury stocks					
	As of March 31, 2009	Increase in the number of shares	Decrease in the number of shares	As of March 31, 2010	
<b>Common stock</b>	141,669,000	-	-	141,669,000	
	As of March 31, 2010	Increase in the number of shares	Decrease in the number of shares	As of March 31, 2011	
<b>Common stock</b>	13,786,778	3,258	105	13,789,931	
	As of March 31, 2009	Increase in the number of shares	Decrease in the number of shares	As of March 31, 2010	
<b>Common stock</b>	13,784,279	2,964	465	13,786,778	

The reasons for the increase or decrease in the number of shares are as follows:  
Increase due to purchase of odd lot shares and decrease due to disposal of odd lot shares by shareholders.

Amount of dividends paid					
	Type of share	Amount of dividends (Japanese Yen in Millions)	Dividend per share (Japanese Yen)	Record date	Effective date
<b>Annual general shareholders' meeting held on June 29, 2010</b>	Common stock	¥84,402	¥660	March 31, 2010	June 30, 2010
<b>Board of directors' meeting held on October 28, 2010</b>	Common stock	¥17,903	¥140	September 30, 2010	December 1, 2010
	Type of share	Amount of dividends (Japanese Yen in Millions)	Dividend per share (Japanese Yen)	Record date	Effective date
<b>Annual general shareholders' meeting held on June 26, 2009</b>	Common stock	¥99,750	¥780	March 31, 2009	June 29, 2009
<b>Board of directors' meeting held on October 29, 2009</b>	Common stock	¥34,528	¥270	September 30, 2009	December 1, 2009
	Type of share	Amount of dividends (U.S. Dollars in Thousands)	Dividend per share (U.S. Dollars)	Record date	Effective date
<b>Annual general shareholders' meeting held on June 29, 2010</b>	Common stock	\$1,016,894	\$7	March 31, 2010	June 30, 2010
<b>Board of directors' meeting held on October 28, 2010</b>	Common stock	\$215,702	\$1	September 30, 2010	December 1, 2010

# Notes to Consolidated Financial Statements

Years ended March 31, 2011 and 2010

Dividends whose effective date is after the end of current fiscal year and record date is included in the current fiscal year.

	Type of share	Amount of dividends (Japanese Yen in Millions)	Source of dividends	Dividend per share (Japanese Yen)	Record date	Effective date
<b>Annual general shareholders' meeting held on June 29, 2011</b>	Common stock	¥39,642	Retained earnings	¥310	March 31, 2011	June 30, 2011
	Type of share	Amount of dividends (Japanese Yen in Millions)	Source of dividends	Dividend per share (Japanese Yen)	Record date	Effective date
<b>Annual general shareholders' meeting held on June 29, 2010</b>	Common stock	¥84,402	Retained earnings	¥660	March 31, 2010	June 30, 2010
	Type of share	Amount of dividends (U.S. Dollars in Thousands)	Source of dividends	Dividend per share (U.S. Dollars)	Record date	Effective date
<b>Annual general shareholders' meeting held on June 29, 2011</b>	Common stock	\$477,620	Retained earnings	\$3	March 31, 2011	June 30, 2011

## Note 10. Note to Consolidated Statements of Cash Flows

"Cash and cash equivalents at end of year" were reconciled to "Cash and deposits" in the accompanying consolidated balance sheets as of March 31, 2011 and 2010 as follows:

As of March 31,	¥ Japanese Yen in Millions		\$ U.S. Dollars in Thousands
	2011	2010	2011
<b>Cash and deposits</b>	¥812,870	¥886,995	\$9,793,618
<b>Time deposits with maturities of more than three months</b>	(153,591)	(176,035)	(1,850,497)
<b>Short-term investments with an original maturity of three months or less</b>	65,087	220,373	784,183
<b>Cash and cash equivalents</b>	¥724,366	¥931,333	\$8,727,304

## Note 11. Leases

The Company and certain consolidated subsidiaries lease tools, furniture and fixtures and other noncurrent assets.

Information of finance leases as of March 31, 2011 and 2010 were omitted as they are immaterial.

The rental commitments under noncancelable operating leases as of March 31, 2011 and 2010 were as follows:

As of March 31,	¥ Japanese Yen in Millions		\$ U.S. Dollars in Thousands
	2011	2010	2011
Due within one year	¥1,272	¥1,315	\$15,332
Due after one year	4,174	4,876	50,291
<b>Total</b>	<b>¥5,446</b>	<b>¥6,191</b>	<b>\$65,624</b>

## Note 12. Financial Instruments

### A. Condition of Financial Instruments for the Year Ended March 31, 2011 and 2010

#### (1) Policy for measures relating to financial instruments

The Company and its consolidated subsidiaries use only financial assets with high degrees of safety such as deposits for the management of funds. The Company and certain consolidated subsidiaries use derivatives to reduce risk as described below, and for the purpose of yield improvement of short-term financial assets, and not for speculative purposes.

#### (2) Details of financial instruments, risks, and risk management system

Notes and accounts receivable-trade are exposed to credit risk of customers. In order to reduce the risk, the Company and its consolidated subsidiaries monitor the credit status and transaction history, assess creditworthiness and set credit limit for each customer. Since short-term investment securities and investment securities mainly comprise bonds held to maturity issued by financial institutions that have high creditworthiness, the credit risk is minimal. Such bonds are also subject to foreign currency exchange risk and market risk. The Company and its consolidated subsidiaries closely monitor the market value of such bonds and the financial position of the issuer and review the status of these investments on a regular basis. Investment securities include stocks of companies with which the Company has business relationships. These stocks are exposed to market risk, however, the investment balance is immaterial.

Notes and accounts payable-trade and income taxes payable are all due within one year.

The Company and certain consolidated subsidiaries enter into foreign exchange forward contracts, non-deliverable forward contracts and currency option contracts to reduce risk of exchange rate fluctuations arising from deposits and trade receivables denominated in foreign currencies. Derivative transactions are exposed to foreign currency exchange risk. Derivative transactions entered into by the Company and certain consolidated subsidiaries are made within the limits of foreign currency deposits by the Finance Department or the department in charge of financial matters, after getting approval by the president or the directors in charge. Status of derivative transactions is reported to Board of Directors on a regular basis. Since counterparties of such transactions are limited to financial institutions that have high creditworthiness, the Company anticipates risk due to default is minimal.

#### (3) Supplementary explanation regarding fair value of financial instruments

Fair value of financial instruments is measured based on the quoted market price, if available, or rationally calculated values if a quoted market price is not available. Because estimation of fair value incorporates variable factors, adopting different assumptions might change the value. In addition, the contract amounts of the derivative transactions below in "Note 14. Derivatives" do not represent the market risk of derivative transactions.

# Notes to Consolidated Financial Statements

Years ended March 31, 2011 and 2010

## B. Fair value of financial instruments

(1) Amounts recognized for selective items in the consolidated balance sheet

The book value on the consolidated balance sheet, fair value, and differences as of March 31, 2011 and 2010 were as follows:

	¥ Japanese Yen in Millions			\$ U.S. Dollars in Thousands		
	Book value	Fair value	Difference	Book value	Fair value	Difference
As of March, 2011						
(1)Cash and deposits	¥812,870	¥812,870	-	\$9,793,618	\$9,793,618	-
(2)Notes and accounts receivable-trade	135,689	135,689	-	1,634,810	1,634,810	-
(3)Short-term investment securities and investment securities						
a. Held-to-maturity debt securities	343,968	343,909	¥(58)	4,144,200	4,143,493	\$(706)
b. Other securities	46,278	46,278	-	557,566	557,566	-
<b>Total assets</b>	<b>1,338,806</b>	<b>1,338,747</b>	<b>¥(58)</b>	<b>16,130,196</b>	<b>16,129,489</b>	<b>\$(706)</b>
(1)Notes and accounts payable-trade	214,646	214,646	-	2,586,107	2,586,107	-
(2)Income taxes payable	32,301	32,301	-	389,173	389,173	-
<b>Total liabilities</b>	<b>246,948</b>	<b>246,948</b>	<b>-</b>	<b>2,975,280</b>	<b>2,975,280</b>	<b>-</b>
<b>Derivatives</b>	<b>¥(2,777)</b>	<b>¥(2,777)</b>	<b>-</b>	<b>\$(33,464)</b>	<b>\$(33,464)</b>	<b>-</b>
As of March, 2010						
(1)Cash and deposits	¥886,995	¥886,995	-			
(2)Notes and accounts receivable-trade	131,876	131,876	-			
(3)Short-term investment securities and investment securities						
a. Held-to-maturity debt securities	356,887	356,845	¥(41)			
b. Other securities	46,368	46,368	-			
<b>Total assets</b>	<b>1,422,127</b>	<b>1,422,086</b>	<b>¥(41)</b>			
(1)Notes and accounts payable-trade	264,613	264,613	-			
(2)Income taxes payable	55,666	55,666	-			
<b>Total liabilities</b>	<b>320,280</b>	<b>320,280</b>	<b>-</b>			
<b>Derivatives</b>	<b>¥(1,001)</b>	<b>¥(1,001)</b>	<b>-</b>			

[Note1] Fair value measurement of financial instruments, items relating to securities and derivative transactions

Cash and deposits, notes and accounts receivable-trade

The book value approximates fair value because of the short maturity of these items.

Short-term investment securities and investment securities

The fair value of stocks equal quoted market price. Bonds are valued at the price provided by financial institutions. Securities classified by purpose of holding are described in "Note 13. Short-term Investment Securities and Long-term Investment Securities."

Notes and accounts payable-trade and income taxes payable

The book value approximates fair value because of the short maturity of these items.

Derivative transactions

Net amounts of receivables / payables arising from derivative transactions are shown. Items that are net payables are shown in parenthesis.

Measurement of fair value and natures of transactions relating to derivatives are described in "Note 14. Derivatives."

[Note2] Unlisted stocks (¥6,188 million or \$74,563 thousand and ¥6,128 million in the consolidated balance sheet for the years ended March 31, 2011 and 2010, respectively) which do not have market prices and of which future cash flows cannot be estimated are not included in "short-term investment securities and investment securities," since the estimation of fair value is deemed to be extremely difficult.

(2) Redemption schedule for monetary assets and securities with maturity subsequent to the consolidated balance sheets date as of March 31, 2011 and 2010 were as follows:

As of March, 2011	¥ Japanese Yen in Millions		\$ U.S. Dollars in Thousands	
	Due within one year	Due after one year through five years	Due within one year	Due after one year through five years
Cash and deposits	¥812,870	-	\$9,793,618	-
Notes and accounts receivable-trade	135,689	-	1,634,810	-
Short-term investment securities and long-term investment securities				
Held-to-maturity debt securities				
Certificate of deposits	305,824	-	3,684,633	-
Money held in trust	15,000	-	180,722	-
Corporate and government bonds	23,122	-	278,579	-
Other investment securities with maturity				
Corporate and government bonds	14,135	¥9,978	170,307	\$120,216
<b>Total</b>	<b>¥1,306,641</b>	<b>¥9,978</b>	<b>\$15,742,671</b>	<b>\$120,216</b>

  

As of March, 2010	¥ Japanese Yen in Millions	
	Due within one year	Due after one year through five years
Cash and deposits	¥886,995	-
Notes and accounts receivable-trade	131,876	-
Short-term investment securities and long-term investment securities		
Held-to-maturity debt securities		
Certificate of deposits	315,816	-
Money held in trust	10,000	-
Corporate and government bonds	31,066	-
Other investment securities with maturity		
Corporate and government bonds	8,373	¥26,981
<b>Total</b>	<b>¥1,384,129</b>	<b>¥26,981</b>

# Notes to Consolidated Financial Statements

Years ended March 31, 2011 and 2010

## Note 13. Short-term Investment Securities and Long-term Investment Securities

Held-to-maturity debt securities as of March 31, 2011 and 2010 were as follows:

As of March, 2011	¥ Japanese Yen in Millions			\$ U.S. Dollars in Thousands		
	Book value	Fair value	Difference	Book value	Fair value	Difference
<b>Securities whose fair value exceed their book value on the accompanying consolidated balance sheets</b>	¥1,685	¥1,704	¥19	\$20,301	\$20,541	\$240
<b>Securities whose fair value do not exceed their book value on the accompanying consolidated balance sheets</b>	342,283	342,205	(78)	4,123,899	4,122,952	(946)
<b>Total</b>	<b>¥343,968</b>	<b>¥343,909</b>	<b>¥(58)</b>	<b>\$4,144,200</b>	<b>\$4,143,493</b>	<b>\$(706)</b>

  

As of March, 2010	¥ Japanese Yen in Millions		
	Book value	Fair value	Difference
<b>Securities whose fair value exceed their book value on the accompanying consolidated balance sheets</b>	¥3,725	¥3,728	¥2
<b>Securities whose fair value do not exceed their book value on the accompanying consolidated balance sheets</b>	353,161	353,117	(43)
<b>Total</b>	<b>¥356,887</b>	<b>¥356,845</b>	<b>¥(41)</b>

Other securities as of March 31, 2011 and 2010 were as follows:

As of March, 2011	¥ Japanese Yen in Millions			\$ U.S. Dollars in Thousands		
	Book value	Acquisition cost	Difference	Book value	Acquisition cost	Difference
<b>Securities whose book value on the accompanying consolidated balance sheets exceed their acquisition cost</b>						
Equity securities	¥5,597	¥1,770	¥3,827	\$67,443	\$21,327	\$46,116
<b>Sub-total</b>	<b>5,597</b>	<b>1,770</b>	<b>3,827</b>	<b>67,443</b>	<b>21,327</b>	<b>46,116</b>
<b>Securities whose book value on the accompanying consolidated balance sheets do not exceed their acquisition cost</b>						
Equity securities	3,841	4,165	(324)	46,281	50,190	(3,908)
Debt securities	36,838	41,886	(5,047)	443,841	504,661	(60,819)
<b>Sub-total</b>	<b>40,680</b>	<b>46,052</b>	<b>(5,372)</b>	<b>490,123</b>	<b>554,851</b>	<b>(64,727)</b>
<b>Total</b>	<b>¥46,278</b>	<b>¥47,822</b>	<b>¥(1,544)</b>	<b>\$557,566</b>	<b>\$576,178</b>	<b>\$(18,611)</b>

  

As of March, 2010	¥ Japanese Yen in Millions		
	Book value	Acquisition cost	Difference
<b>Securities whose book value on the accompanying consolidated balance sheets exceed their acquisition cost</b>			
Equity securities	¥7,784	¥2,449	¥5,335
Debt securities	4,814	4,620	193
<b>Sub-total</b>	<b>12,599</b>	<b>7,069</b>	<b>5,529</b>
<b>Securities whose book value on the accompanying consolidated balance sheets do not exceed their acquisition cost</b>			
Equity securities	3,521	3,813	(291)
Debt securities	30,246	32,682	(2,435)
<b>Sub-total</b>	<b>33,768</b>	<b>36,495</b>	<b>(2,726)</b>
<b>Total</b>	<b>¥46,368</b>	<b>¥43,565</b>	<b>¥2,802</b>

[Note1] Unlisted stocks (¥188 million or \$2,266 thousand and ¥188 million in the consolidated balance sheet for the years ended March 31, 2011 and 2010, respectively) which do not have market prices and of which future cash flows cannot be estimated are not included since the estimation of fair value is deemed to be extremely difficult.

[Note2] Information of proceeds from sales of other securities and impairment of securities for the year ended March 31, 2011 were omitted as their amounts are immaterial.



# Notes to Consolidated Financial Statements

Years ended March 31, 2011 and 2010

## Note 14. Derivatives

Derivative contracts not subject to hedge accounting as of March 31, 2011 were as follows:

As of March 31, 2011	¥ Japanese Yen in Millions			\$ U.S. Dollars in Thousands		
	Contract amount	Fair value	Unrealized gain (loss)	Contract amount	Fair value	Unrealized gain (loss)
<b>Exchange forward contracts</b>						
Selling Canadian Dollar	¥1,305	¥(9)	¥(9)	\$15,727	\$(109)	\$(109)
Selling British Pound	2,709	49	47	32,649	591	568
<b>Non-deliverable forward contracts</b>						
Selling South Korean Won	1,160	(47)	(47)	13,981	(571)	(571)
<b>Currency options</b>						
<b>Written call options:</b>						
U.S. Dollar	75,126			905,136		
(Premium)	437	449	(11)	5,273	5,414	(140)
Euro	186,678			2,249,139		
(Premium)	1,649	3,606	(1,957)	19,868	43,451	(23,582)
<b>Purchased put options</b>						
U.S. Dollar	25,042			301,712		
(Premium)	587	497	(89)	7,077	5,995	(1,082)
Euro	62,226			749,713		
(Premium)	1,499	788	(711)	18,064	9,495	(8,568)
<b>Total</b>			¥(2,779)			\$(33,486)

[Note] No derivative contracts were due after one year.  
The fair value as of March 31, 2011 is estimated based on price quoted by financial institutions where we have agreements.

Derivative contracts as of March 31, 2010 were as follows:

As of March 31, 2010	¥ Japanese Yen in Millions		
	Contract amount	Fair value	Unrealized gain (loss)
<b>Exchange forward contracts</b>			
Selling Canadian Dollar	¥1,831	¥(49)	¥(49)
Selling British Pound	4,842	(70)	(70)
<b>Non-deliverable forward contracts</b>			
Selling South Korean Won	2,388	(155)	(155)
<b>Currency options</b>			
<b>Written call options:</b>			
U.S. Dollar	160,377		
(Premium)	1,394	2,315	(920)
Euro	351,429		
(Premium)	2,336	2,113	222
Australian Dollar	2,861		
(Premium)	69	145	(76)
<b>Purchased put options</b>			
U.S. Dollar	53,459		
(Premium)	1,302	898	(404)
Euro	117,143		
(Premium)	2,497	2,949	452
<b>Total</b>			¥(1,001)

[Note] No derivative contracts were due after one year.  
The fair value as of March 31, 2010 is estimated based on price quoted by financial institutions where we have agreements.

## Note 15. Retirement Benefits

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

Retirement benefit obligations as of March 31, 2011 and 2010 were as follows:

As of March 31,	¥ Japanese Yen in Millions		\$ U.S. Dollars in Thousands
	2011	2010	2011
<b>a. Retirement benefit obligation</b>	¥(29,713)	¥(27,607)	\$(357,993)
<b>b. Plan assets</b>	18,066	17,682	217,665
<b>c. Unfunded retirement benefit obligation</b>	(11,647)	(9,924)	(140,327)
<b>d. Net pension liability recognized in the accompanying consolidated balance sheets</b>	(11,647)	(9,924)	(140,327)
<b>e. Provision for retirement benefits</b>	¥(11,647)	¥(9,924)	\$(140,327)

[Note] Certain consolidated subsidiaries adopt a concise procedure to estimate retirement benefit obligation.

Retirement benefit costs for the years ended March 31, 2011 and 2010 were as follows:

Years ended March 31,	¥ Japanese Yen in Millions		\$ U.S. Dollars in Thousands
	2011	2010	2011
<b>a. Service cost</b>	¥1,829	¥1,575	\$22,042
<b>b. Interest cost</b>	776	775	9,351
<b>c. Expected return on plan assets</b>	(437)	(357)	(5,276)
<b>d. Amortization of actuarial difference</b>	1,822	(78)	21,960
<b>e. Retirement benefit cost</b>	3,990	1,915	48,077
<b>f. Other</b>	858	939	10,340
<b>g. Total</b>	¥4,848	¥2,854	\$58,418

[Note] "a. Service cost" includes retirement benefit costs of the subsidiaries which adopt a concise procedure to estimate retirement benefit obligation.  
"f. Other" is mainly contribution amount with related to defined contribution plans.

Assumptions used in calculation of retirement benefits for employees:

Year ended March 31, 2011

<b>a. Method of attributing benefits to years of service:</b>	Straight-line basis
<b>b. Discount rate:</b>	1.2% to 5.3%
<b>c. Expected return rate on plan assets:</b>	1.3% to 7.5%
<b>d. Amortization years of actuarial difference:</b>	Fully amortized in the same fiscal year as incurred

Year ended March 31, 2010

<b>a. Method of attributing benefits to years of service:</b>	Straight-line basis
<b>b. Discount rate:</b>	1.3% to 5.75%
<b>c. Expected return rate on plan assets:</b>	1.5% to 7.5%
<b>d. Amortization years of actuarial difference:</b>	Fully amortized in the same fiscal year as incurred

# Notes to Consolidated Financial Statements

Years ended March 31, 2011 and 2010

## Note 16. Income Taxes

Significant components of deferred tax assets and liabilities as of March 31, 2011 and 2010 were summarized as follows:

As of March 31,	¥ Japanese Yen in Millions		\$ U.S. Dollars in Thousands
	2011	2010	2011
<b>Deferred tax assets:</b>			
Research and development expenses	¥30,095	¥24,024	\$362,592
Inventory - write-downs and elimination of unrealized profit	9,862	19,760	118,825
Revenue recognition for tax purposes	7,690	-	92,659
Other accounts payable and accrued expenses	5,575	7,976	67,176
Provision for retirement benefits	4,351	3,948	52,433
Loss on valuation of investment securities	3,815	4,575	45,967
Accrued enterprise tax	2,600	3,885	31,330
Valuation difference on available-for-sale securities	2,181	-	26,279
Accumulated depreciation expenses	-	3,190	-
Land	-	2,297	-
Other	10,323	14,627	124,379
	<hr/>	<hr/>	<hr/>
<b>Gross deferred tax assets</b>	76,496	84,286	921,644
Valuation allowance	(2,763)	(286)	(33,294)
	<hr/>	<hr/>	<hr/>
<b>Total deferred tax assets</b>	73,733	83,999	888,349
<b>Deferred tax liabilities:</b>			
Undistributed retained earnings of subsidiaries and affiliates	(7,286)	(6,957)	(87,788)
Valuation difference on available-for-sale securities	(1,554)	(2,244)	(18,723)
Other	(2,270)	(3,675)	(27,361)
	<hr/>	<hr/>	<hr/>
<b>Total deferred tax liabilities</b>	(11,111)	(12,877)	(133,872)
	<hr/>	<hr/>	<hr/>
<b>Net deferred tax assets</b>	¥62,621	¥71,122	\$754,477

[Note] Amounts for items with a bar were omitted as it is immaterial.

Reconciliation of the statutory tax rate and the effective tax rate for the year ended March 31, 2011 was omitted as the difference between the statutory tax rate and the effective tax rate after tax effect accounting was equal to or less than a five hundredth of the statutory tax rate.

Reconciliation for the year ended March 31, 2010 was as follows:

	2010
Statutory tax rate	40.6 %
(Reconciliations)	
Foreign tax credit on retained earnings of the overseas consolidated subsidiaries	0.3 %
Special deduction applied to the gross research and development expenses	(0.3)%
Different tax rates applied to the consolidated subsidiaries	(1.1)%
Other	(1.7)%
	<hr/>
Effective tax rate after tax effect accounting	37.8 %

## Note 17. Asset Retirement Obligations

Information of asset retirement obligations for the year ended March 31, 2011 was omitted as its amount is immaterial.

## Note 18. Real Estate for Rent

Effective as of the fiscal year ended March 31, 2010, the "Accounting Standard for Disclosures about Fair Value of Investment and Rental Property (ASBJ Statement No.20)" and the "Guidance on Accounting Standard for Disclosures about Fair Value of Investment and Rental Property (ASBJ Guidance No.23)" have been adopted. Information of real estate for rent for the years ended March 31, 2011 and 2010 were omitted as their amounts are immaterial.

## Note 19. Segment Information

Year ended March 31, 2011

### A. Segment Information

The main business of Nintendo (Nintendo Co., Ltd. (the "Company") and its consolidated subsidiaries) is developing, manufacturing, and distributing handheld and home console hardware machines and related software. Development and manufacturing of products for worldwide use are primarily done by the Company. The Company distributes products in Japan while distribution in overseas markets is done by each local subsidiary.

Nintendo operates as a single operating segment with each major geographic subsidiary solely responsible for distributing handheld and home console hardware machines and related software to its local market and there is no difference by product in terms of distribution channels or markets. While analysis of product sales results is made by product category or by region, decision for allocation of the management resources and evaluation of business results are made on a company-wide basis, not based on a product category or region basis. Therefore, this information is omitted.

Effective as of the fiscal year ended March 31, 2011, the "Accounting Standard for Disclosures about Segments of an Enterprise and Related information (ASBJ Statement No.17 dated March 27, 2009)" and the "Guidance on the Accounting Standard for Disclosures about Segments of an Enterprise and Related information (ASBJ Guidance No.20 dated March 21, 2008)" have been adopted.

### B. Information about products and services

¥						
Japanese Yen in Millions						
Year ended March 31, 2011	Handheld Hardware	Home Console Hardware	Handheld Software	Home Console Software	Other	Total
<b>Sales to third parties</b>	¥298,653	¥242,851	¥167,068	¥221,493	¥84,279	¥1,014,345

  

\$						
U.S. Dollars in Thousands						
Year ended March 31, 2011	Handheld Hardware	Home Console Hardware	Handheld Software	Home Console Software	Other	Total
<b>Sales to third parties</b>	\$3,598,233	\$2,925,919	\$2,012,876	\$2,668,591	\$1,015,410	\$12,221,031

# Notes to Consolidated Financial Statements

Years ended March 31, 2011 and 2010

## C. Information about geographic areas

¥ Japanese Yen in Millions				
Year ended March 31, 2011	Japan	The United States	Other	Total
<b>Sales</b>	¥167,893	¥398,352	¥448,099	¥1,014,345
<b>Property, plant and equipment</b>	¥54,483	¥22,689	¥3,692	¥80,864

  

\$ U.S. Dollars in Thousands				
Year ended March 31, 2011	Japan	The United States	Other	Total
<b>Sales</b>	\$2,022,817	\$4,799,423	\$5,398,789	\$12,221,031
<b>Property, plant and equipment</b>	\$656,423	\$273,365	\$44,486	\$974,275

[Note] Sales are categorized by countries based on the location of the customer.  
Property, plant and equipment are categorized by countries based on its location.

## D. Information about Major Customers

There were no major customers accounting for over 10% of sales in the consolidated financial statements of income within sales to third parties.

## E. Information about impairment loss of fixed assets in reportable segments

The information was omitted as the Company operates as a single operating segment.

## F. Information about goodwill in reportable segments

The information was omitted as the Company operates as a single operating segment.

## G. Information about gain from negative goodwill in reportable segments

The information was omitted as the Company operates as a single operating segment.

Year ended March 31, 2010

### A. Segment Information by Business Categories

The Company and its consolidated subsidiaries operate predominantly in one business category, "the electronic entertainment products," which accounted for over 90% of total net sales, operating income or loss and total assets for the year ended March 31, 2010. This information is not required.

### B. Segment Information by Geographic Division of the Companies

Year ended March 31, 2010	¥ Japanese Yen in Millions					Eliminations of corporate	Consolidated
	Japan	The Americas	Europe	Other	Total		
<b>Net sales and operating income</b>							
<b>Net sales</b>							
<b>Sales to third parties</b>	¥231,424	¥640,879	¥481,270	¥80,791	¥1,434,365	-	¥1,434,365
<b>Inter-segment sales</b>	985,649	2,225	39	273	988,189	¥(988,189)	-
<b>Total net sales</b>	1,217,074	643,104	481,310	81,065	2,422,554	(988,189)	1,434,365
<b>Operating expenses</b>	922,928	603,303	463,298	77,292	2,066,822	(989,023)	1,077,798
<b>Operating income</b>	¥294,145	¥39,801	¥18,011	¥3,773	¥355,732	¥834	¥356,567
<b>Total assets</b>	¥1,413,259	¥324,238	¥185,136	¥32,106	¥1,954,740	¥(193,753)	¥1,760,986

[Note1] The following footnotes are applicable for the year ended March 31, 2010.

[Note2] The segmentation of country or region is based on the geographical proximity.  
 The major countries or regions in "The Americas" are the United States and Canada.  
 The major countries or regions in "Europe" are Germany, France, the United Kingdom, the Netherlands, Spain and Italy.  
 The major countries or regions in "Other" are Australia, South Korea, China and Taiwan.

### C. Sales to Overseas Customers

Year ended March 31, 2010	¥ Japanese Yen in Millions			
	The Americas	Europe	Other	Total
<b>Sales to overseas customers</b>	¥642,523	¥477,931	¥86,208	¥1,206,663
<b>Consolidated net sales</b>				¥1,434,365
<b>Ratio of overseas sales to consolidated net sales</b>	44.8%	33.3%	6.0%	84.1%

[Note1] The following footnotes are applicable for the years ended March 31, 2010.

[Note2] "Sales to overseas customers" are the total amount of sales of the Company and consolidated subsidiaries to the customers outside Japan.  
 The segmentation of country or region is based on the geographical proximity.  
 The major countries or regions in "The Americas" are the United States and Canada.  
 The major countries or regions in "Europe" are Germany, France, the United Kingdom, the Netherlands, Spain and Italy.  
 The major countries or regions in "Other" are Australia, South Korea, China and Taiwan.

## Notes to Consolidated Financial Statements

Years ended March 31, 2011 and 2010

### Note 20. Related Party Transactions

Not applicable.

### Note 21. Per Share Information

Years ended March 31,	¥ Japanese Yen		\$ U.S. Dollars
	2011	2010	2011
<b>Net assets per share</b>	¥10,022.26	¥10,450.33	\$120.75
<b>Net income per share</b>	¥606.99	¥1,787.84	\$7.31

Diluted earnings per share are omitted as no residual securities were outstanding as of March 31, 2011 and 2010.

The basis of calculation of net assets per share is as follows:

Years ended March 31,	¥ Japanese Yen in Millions		\$ U.S. Dollars in Thousands
	2011	2010	2011
<b>Net income</b>	¥77,621	¥228,635	\$935,200
<b>Amount unrelated to common shareholders</b>	-	-	-
<b>Net income related to common stock</b>	¥77,621	¥228,635	\$935,200

Years ended March 31,	Number of shares in Thousands	
	2011	2010
<b>Average number of shares (common stock)</b>	127,880	127,883

### Note 22. Significant Subsequent Events

Not applicable.

### Note 23. Supplemental Schedule of Bonds

Not applicable.

## Note 24. Supplemental Schedule of Borrowings

The information of borrowings as of March 31, 2011 and 2010 were as follows:

As of March 31,	¥ Japanese Yen in Millions		\$ U.S. Dollars in Thousands
	2011	2010	2011
<b>Short-term loans payable</b>	¥125	¥125	\$1,506
<b>Long-term loans payable due within one year</b>	-	-	-
<b>Lease obligations due within one year</b>	62	65	751
<b>Long-term loans payable due after one year</b>	-	-	-
<b>Lease obligations due after one year</b>	94	157	1,133
<b>Other liabilities with interest</b>	-	-	-
<b>Total</b>	<b>¥281</b>	<b>¥347</b>	<b>\$3,391</b>

[Note] The average interest rate of "Short-term loans payable" is 1.1%.  
The balance and interest rate used for the calculation of the average interest rate of "Short-term loans payable" are those at the end of the period.  
The average interest rates of lease obligations are omitted as the interests equivalent included in total lease payments are allocated to each consolidated fiscal year by straight-line basis.  
The due, excluding within one year, of lease obligations falls between April 2012 and September 2013.

As for lease obligations, long-term borrowings and other liabilities with interest, excluding due within one year, repayment schedule for the next five years after the current consolidated closing date are as follows:

As of March 31, 2011	¥ Japanese Yen in Millions		\$ U.S. Dollars in Thousands	
	Due after one year through two years	Due after two years through three years	Due after one year through two years	Due after two years through three years
<b>Lease obligations</b>	¥53	¥40	\$649	\$483

## Note 25. Supplemental Schedule of Asset Retirement Obligations

The amounts of asset retirement obligations for March 31, 2011 and 2010 were less than or equal to a hundredth of the sum of liabilities and net assets for each year, therefore the information is omitted.



# Notes to Consolidated Financial Statements

Years ended March 31, 2011 and 2010

## Note 26. Others

Quarterly information of the consolidated fiscal year ended March 31, 2011 was as follows:

	¥ Japanese Yen in Millions			
Year ended March 31, 2011	First quarter	Second quarter	Third quarter	Fourth quarter
<b>Net sales</b>	¥188,646	¥174,513	¥444,830	¥206,354
<b>Income before income taxes and minority interests</b>	(45,938)	41,956	84,551	47,364
<b>Net income</b>	¥(25,216)	¥23,205	¥51,569	¥28,064

  

	¥ Japanese Yen			
Year ended March 31, 2011	First quarter	Second quarter	Third quarter	Fourth quarter
<b>Net income per share</b>	¥(197.19)	¥181.46	¥403.26	¥219.46

  

	\$ U.S. Dollars in Thousands			
Year ended March 31, 2011	First quarter	Second quarter	Third quarter	Fourth quarter
<b>Net sales</b>	\$2,272,851	\$2,102,572	\$5,359,404	\$2,486,203
<b>Income before income taxes and minority interests</b>	(553,470)	505,504	1,018,687	570,661
<b>Net income</b>	\$(303,819)	\$279,581	\$621,317	\$338,120

  

	\$ U.S. Dollars			
Year ended March 31, 2011	First quarter	Second quarter	Third quarter	Fourth quarter
<b>Net income per share</b>	\$(2.38)	\$2.19	\$4.86	\$2.64