

Abstract

This thesis provides a comprehensive valuation of Nintendo Co., Ltd., applying a blend of Discounted Cash Flow (DCF) and real options (RO) methodologies to assess its enterprise value and explore strategic investment flexibility. The findings will serve as the foundation for evaluating Nintendo's investment value for individuals. The thesis delves into the financial and operational strategies of Nintendo, highlighting the utilisation of substantial cash reserves and a conservative financial position despite the volatile nature of the gaming industry; the enterprise value is estimated at JPY 9,741,430.10 million, suggesting a significant undervaluation by the market. Finally, the thesis posits that Nintendo's market undervaluation presents substantial investment potential, and its strategic adaptability offers resilience and growth prospects in the post-pandemic economic landscape. The application of real options further elucidates the value of strategic flexibility in enhancing corporate valuation under varying economic conditions.

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| JEL Classification | E37, G17, G32, L82 |
| Keywords | Corporate valuation, DCF method, Real options method, Investment value, Enterprise value |
| Title | Measuring the Corporate Investment Value |