

Second Quarter Financial Results and Corporate Management Policy Briefing for Fiscal Year Ending March 2025

Nintendo Co., Ltd.
November 6, 2024

- Thank you for attending today. I am Shuntaro Furukawa, President of Nintendo.

Consolidated Financial Highlights

	FY24/Q1-Q2	FY25/Q1-Q2	Comparison
Net sales	796.2 bn yen	523.2 bn yen	-34.3 %
Operating profit	279.9 bn yen	121.5 bn yen	-56.6 %
Ordinary profit	380.0 bn yen	147.1 bn yen	-61.3 %
Net profit	271.2 bn yen	108.6 bn yen	-59.9 %

• Net profit: Profit attributable to owners of parent
 • FY = Fiscal Year
 • FY25/Q1-Q2 indicates the period between April 1, 2024 and September 30, 2024

Nintendo Switch <small>(sell-in)</small>	FY24/Q1-Q2	FY25/Q1-Q2	Comparison
Hardware	6.84 mil units	4.72 mil units	-31.0 %
Software	97.08 mil units	70.28 mil units	-27.6 %

- First, I would like to briefly discuss the consolidated results for the first half of the fiscal year ending March 31, 2025 that we announced yesterday.
- In comparison to the previous year where we had hits such as *The Legend of Zelda: Tears of the Kingdom* and *The Super Mario Bros. Movie*, we saw a decrease in sales and profits for the first half of the current fiscal year.
- Sales of Nintendo Switch hardware was 4.72 million units, and sales of software was 70.28 million units. Although this is a year-over-year decrease in both figures, sales continue to be robust in comparison to past Nintendo platforms in their eighth year.

FY25 Consolidated Financial Forecast

	Previous Forecast	Modified Forecast	Comparison
Net sales	1,350.0 bn yen	1,280.0 bn yen	-5.2 %
Operating profit	400.0 bn yen	360.0 bn yen	-10.0 %
Ordinary profit	420.0 bn yen	420.0 bn yen	-
Net profit	300.0 bn yen	300.0 bn yen	-

• Assumed exchange rate for FY25: remains unchanged at 1 USD = 140 yen, 1 Euro = 155 yen

Nintendo Switch <small>(sell-in)</small>	Previous Forecast	Modified Forecast	Comparison
Hardware	13.50 mil units	12.50 mil units	-7.4 %
Software	165.00 mil units	160.00 mil units	-3.0 %

Dividend	Previous Forecast	Modified Forecast	Comparison
Annual dividend	129 yen	129 yen	-

- Next, we will explain our financial forecast for the current fiscal year.
- We have revised our forecast for hardware and software sales to reflect the results of the first half of the fiscal year. As a result, our forecast for net sales has decreased by 5.2% to 1,280.0 billion yen, and our forecast for operating profit has decreased by 10.0% to 360.0 billion yen.
- As a result of changes in our outlook for non-operating profit and loss for the fiscal year, forecasts for ordinary profit and net profit remain unchanged.
- Therefore, there is no change in the forecast for the annual dividend.

Current State of Nintendo Switch

- Let us turn to a more detailed overview of this fiscal year's business situation, focusing on the current state of Nintendo Switch.



Nintendo Switch



Nintendo Switch
OLED Model



Nintendo Switch Lite

More software has been played on Nintendo Switch than on any other Nintendo hardware

Cumulative hardware sales
146 million units

Cumulative software sales
1.3 billion units

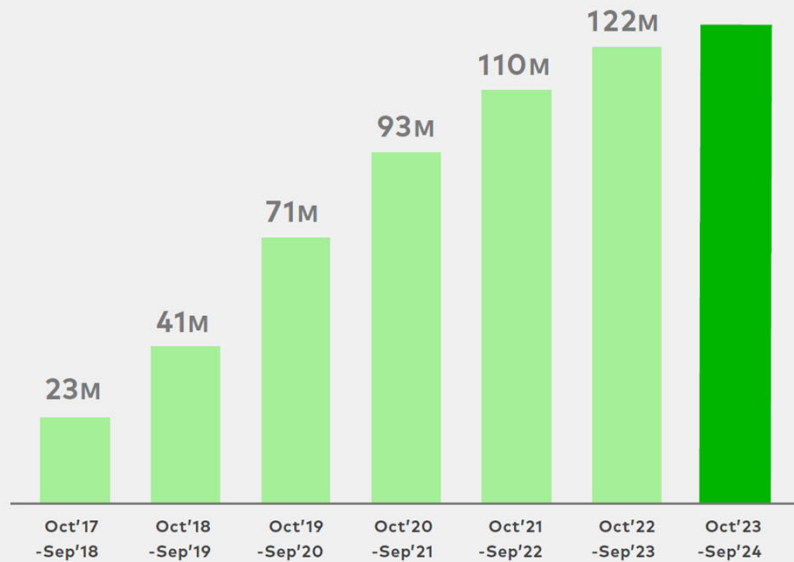
(As of September 30, 2024)

- First launched in March 2017, the Nintendo Switch family of systems has now achieved cumulative hardware sales of 146.04 million units.
- Cumulative software sales have reached 1.3061 billion units, setting a new record for a Nintendo gaming platform. More software has been played on Nintendo Switch than on any other Nintendo hardware.

Note: Unit sales refer to the sell-in count (sales by the Nintendo group to outside entities). Software sales include both sales for packaged software and downloadable versions of packaged software, but do not include download-only software.

Nintendo Switch Users

Annual Playing Users **127M**



From children to seniors, many people worldwide are playing Nintendo Switch

- The number of annual playing users, defined as those who have played Nintendo Switch at least once in the past year, exceeded 100 million. Many people continue to enjoy Nintendo Switch even in its eighth year.
- Additionally, people of all ages, from children to seniors, are playing Nintendo Switch.

Note: The number of Nintendo Switch annual playing users refers to Nintendo Accounts, among all Nintendo Accounts registered to a Nintendo Switch system, that used Nintendo Switch software at least once within the 12-month data aggregation period. Users who have not agreed to share their information are excluded. This count does not include the use of services like Nintendo eShop. Past usage data is collected when Nintendo Switch is connected to the internet, so the figures are updated retroactively.

New Nintendo Products for the Holiday Season



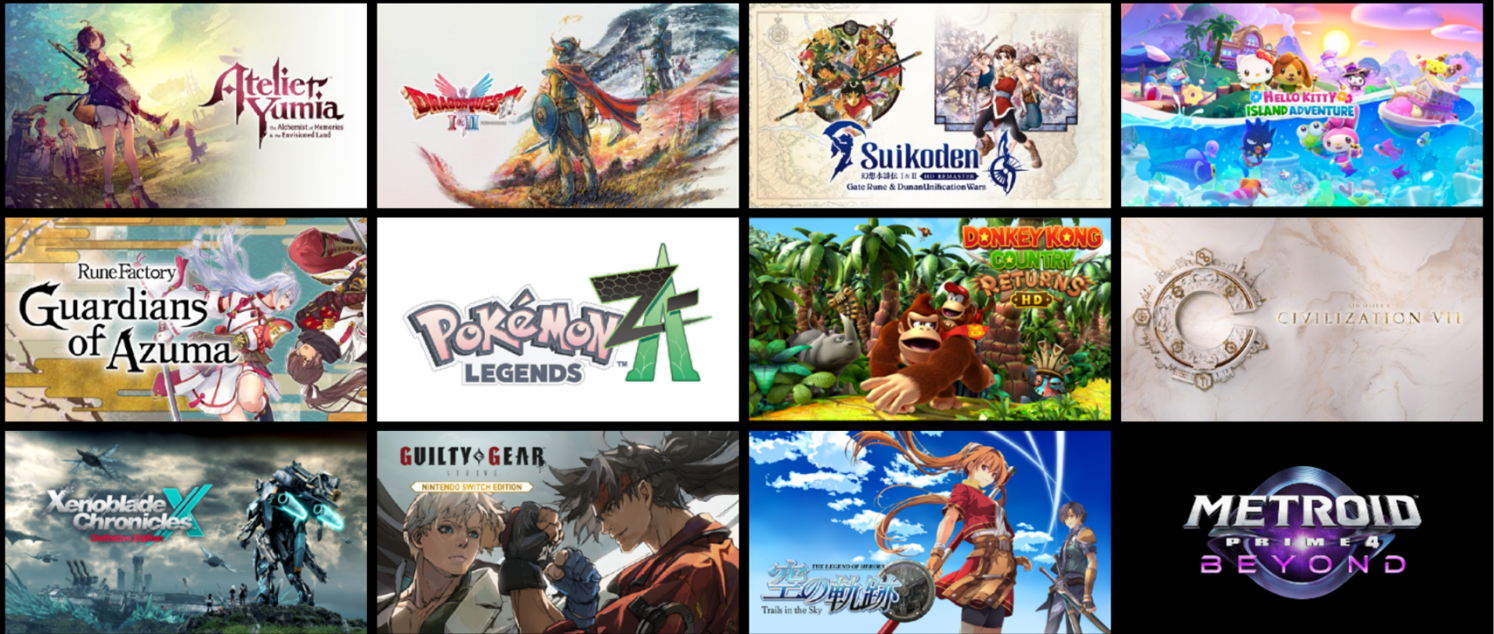
- With Nintendo Switch being played by many people around the world, we are heading into the holiday season with titles like *The Legend of Zelda: Echoes of Wisdom* (released on Sept. 26), *Super Mario Party Jamboree* (released on October 17), and *Mario & Luigi: Brothership* (set to be released tomorrow, Nov. 7).
- Regarding hardware, we launched Nintendo Switch Lite: Hyrule Edition, incorporating the Hylian Crest symbol that appears in the Legend of Zelda series, on the same day as *The Legend of Zelda: Echoes of Wisdom*.
- In certain regions such as North America and Europe, we are launching hardware bundled with evergreen titles and a redemption code for a Nintendo Switch Online membership. Even in its eighth year after launch, we continue to promote hardware sales to get Nintendo Switch into the hands of as many people as possible.

Titles From Other Software Publishers Releasing From September Onward



- Here are titles from other software publishers being released for Nintendo Switch from September to December.
- Software publishers worldwide are once again releasing a wide variety of titles this year.

Titles Announced for 2025



- Many new titles are planned to be released next year as well. The games shown here have been announced for release in 2025.

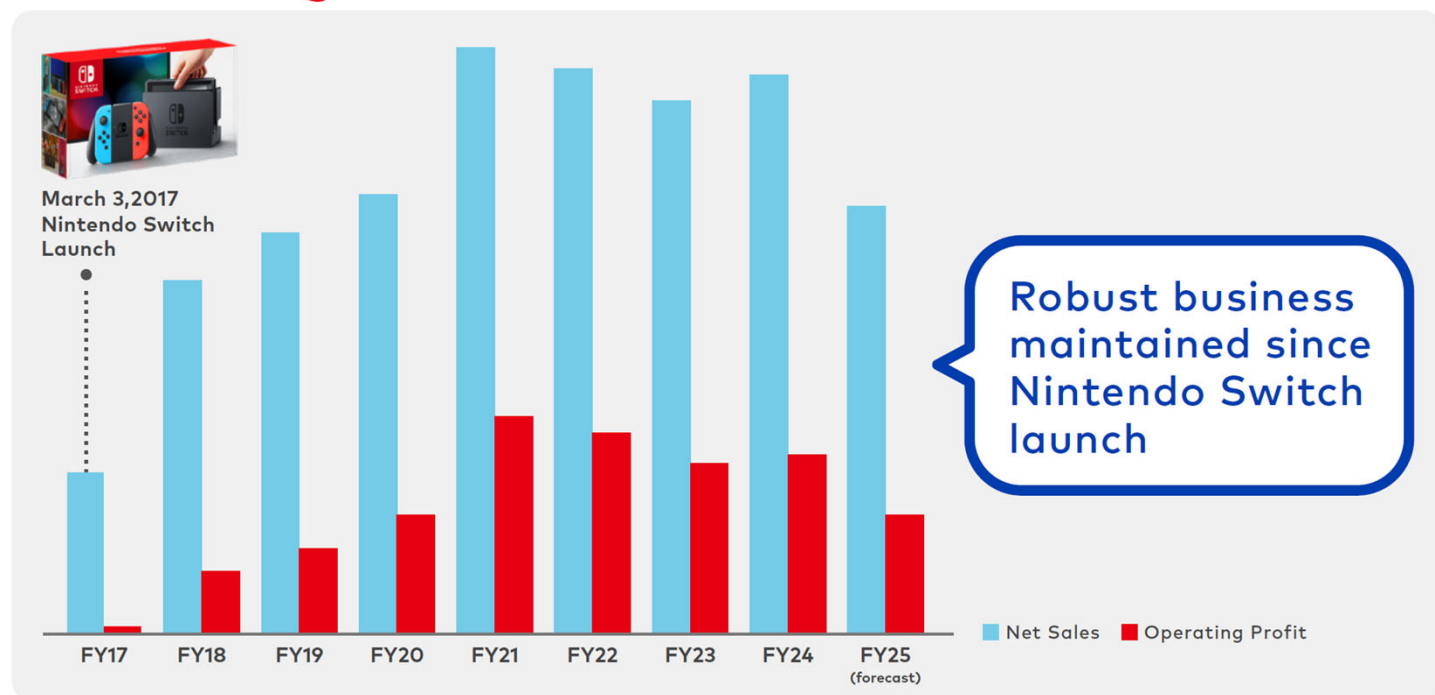
Current State of Nintendo Switch

- Nintendo Switch is being played by over 100 million people worldwide
- A steady stream of new titles is planned for the holiday season and upcoming year



- Let me provide a brief summary of the situation this fiscal year.
- Since last fiscal year saw the release of hits like *The Legend of Zelda: Tears of the Kingdom*, *The Super Mario Bros. Movie*, and *Super Mario Bros. Wonder*, we expect a decrease in sales and profits this year.
- That being said, Nintendo Switch has maintained its momentum and is being played by over 100 million people worldwide, from children to seniors.
- We will continue to make the hardware appealing with a steady release of new Nintendo Switch titles for the holiday season and next year.
- Moving away from the traditional dedicated video game platform business cycles we saw in the past, we intend to maintain the momentum of our business by continuing to engage many people with Nintendo Switch.

Earnings Since the Launch of Nintendo Switch



- Next, I would like to comment on our performance from a medium-term perspective.
- Since the launch of Nintendo Switch, the business has continued to perform robustly, maintaining its momentum following the initial uptrend driven by the spread of the hardware.
- There are certainly individual factors behind this, like the hit of new titles released each fiscal year, but when we look at the stability of our financial results over a span of eight years, we believe the structural changes surrounding our dedicated video game platform business have had a meaningful impact.

Structural Changes Surrounding Our Dedicated Video Game Platform Business

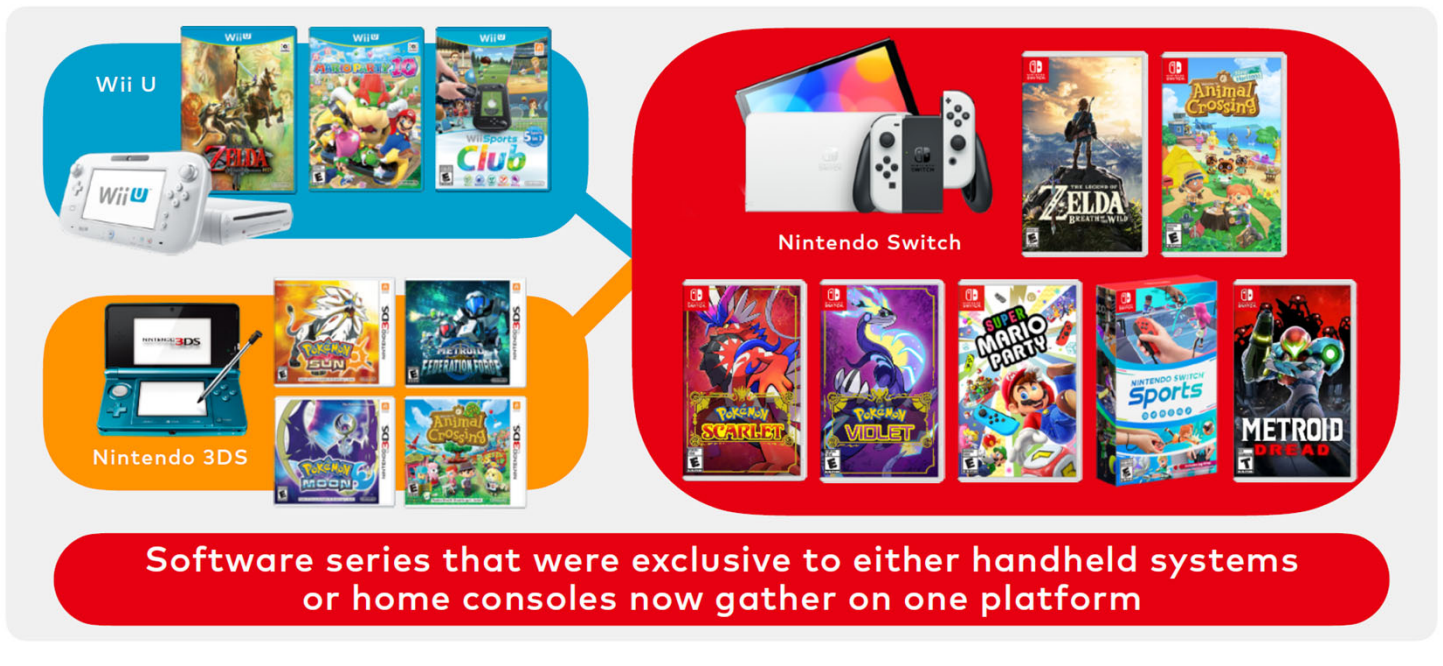
- Now, let's discuss these structural changes.

Structural Changes Surrounding Our Dedicated Video Game Platform Business

- 1 Merging two platforms that were previously separated into home consoles and handheld systems
- 2 Emphasis on consumer touchpoints
- 3 Strengthening relationships with software publishers
- 4 Regional expansion into growing markets

- Let me explain each of these four points.

1 Merging Two Platforms That Were Previously Separated Into Home Consoles and Handheld Systems



- The first change is the merging of platforms that were previously separated into home consoles and handheld systems.
- Before Nintendo Switch, we offered two types of dedicated video game platforms: home consoles and handheld systems, each with its own unique set of titles.
- By merging these two platforms, Nintendo Switch became a unified platform where popular series from both home consoles and handheld systems come together in one place.

1 Merging Two Platforms That Were Previously Separated Into Home Consoles and Handheld Systems



The integration of the software development teams enabled the continuous introduction of new titles

- The merging of the two platforms allowed us to integrate our software development teams.
- By focusing our research and development on a single platform, we have achieved a more continuous stream of new titles without major gaps.

1 Merging Two Platforms That Were Previously Separated Into Home Consoles and Handheld Systems



- The concept of a home console that can also be taken on the go has been well-received by people worldwide
- Diversification of purchase intent : New purchases, additional purchases, and replacement purchases
- From "one per family" to "one per person"

- With Nintendo Switch, we introduced the concept of a portable home console which has been well-received by our consumers worldwide.
- Consumers now purchase Nintendo Switch for many reasons. Not only do we see first-time users, but we also see consumers purchase additional hardware to add to their collection or replace their hardware with newer ones. At the same time, ownership patterns have shifted from “one per family” to “one per person.” Although Nintendo Switch debuted as a home console, its sales also exhibit the characteristics of a handheld system.

2 Emphasis on Consumer Touchpoints



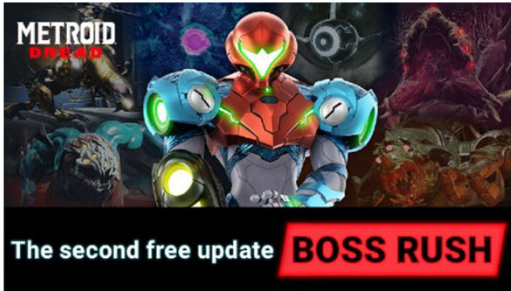
Dedicated Nintendo spaces created in cooperation with retailers



More ways to purchase digital products

- The second change involves our touchpoints with consumers.
- In physical stores, we are collaborating with retailers in Japan to create dedicated Nintendo spaces that offer both games and IP related merchandise.
- On the digital front, we have introduced more ways for consumers to purchase software, enhancing the user experience.

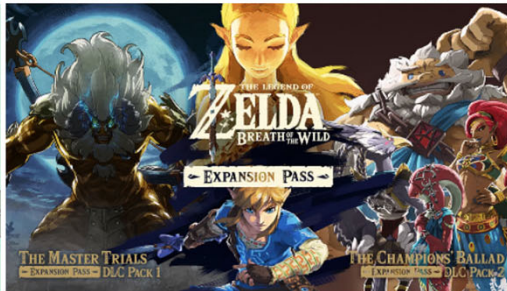
2 Emphasis on Consumer Touchpoints



Additional gameplay through free updates

- The increase in players connecting Nintendo Switch to the internet has helped us maintain touchpoints with consumers online post-purchase.
- Adding new gameplay to software through free updates has been one way we deliver fresh experiences to active users.

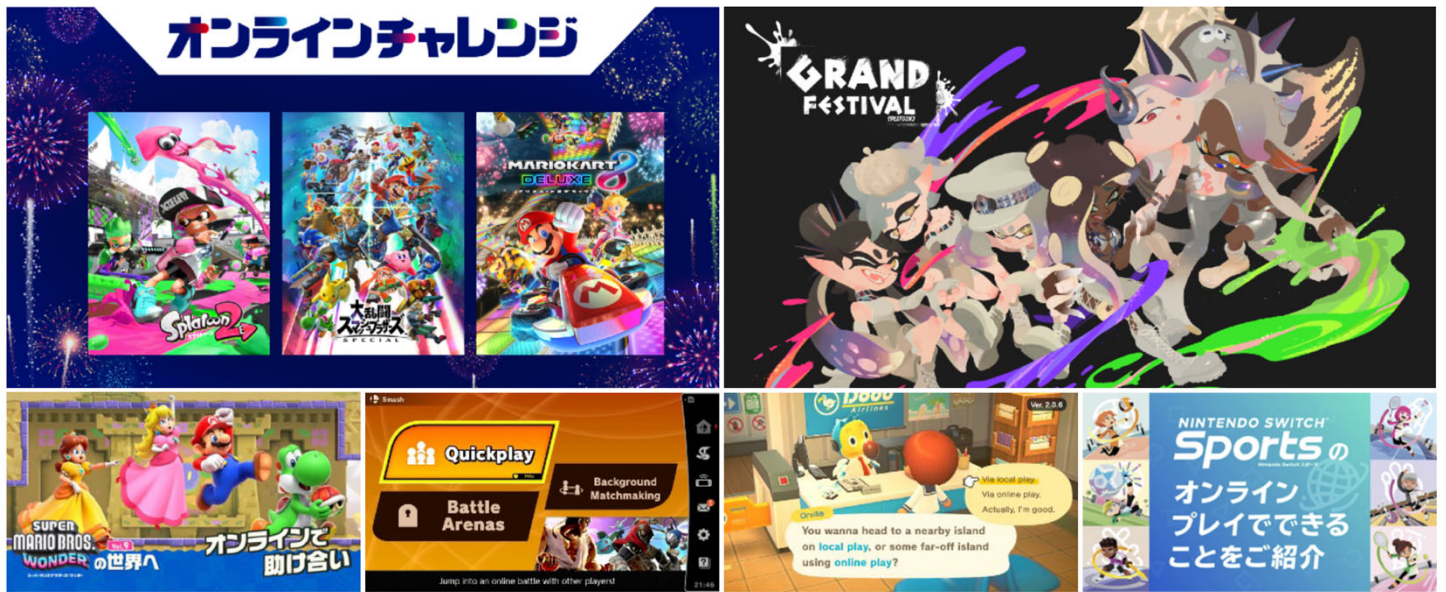
2 Emphasis on Consumer Touchpoints



Paid add-on content

- Additionally, we have been offering paid add-on content tailored to the characteristics of each title.
- Post-release initiatives not only encourage people to continue playing, but also help to kindle interest in a title long after it has been released, as well as inspiring people to revisit titles they have already played.

② Emphasis on Consumer Touchpoints



Changing gameplay through online play

- The increase in Nintendo Switch titles that support online play has broadened the scope of gameplay we can offer our consumers.
- Enhancements to online tournaments and more online events also provide consumers with reasons to play their games over a longer period.

2 Emphasis on Consumer Touchpoints

Over 34 million members

(As of September 30, 2024)



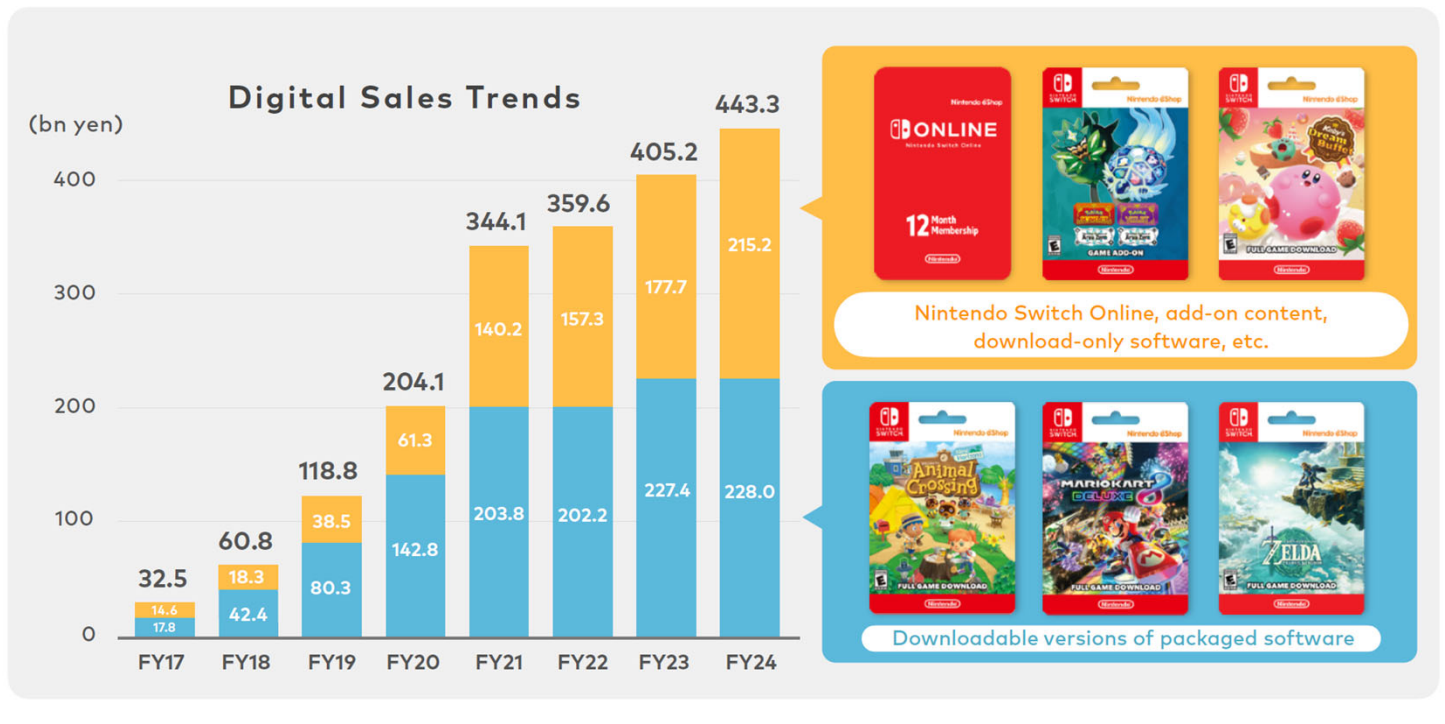
- Nintendo Switch Online is a service that makes playing Nintendo Switch even more fun and more convenient. Membership has grown since the service started in 2018, driven by titles that support online play. As of September 30, 2024, there were over 34 million members.
- Although we did observe a year-over-year decrease in membership, partly due to fewer new releases in the past year focusing on online play, many people continue to enjoy Nintendo Switch Online.
- Additionally, the number of people opting for the higher-tier Nintendo Switch Online + Expansion Pack has been steadily increasing since the service began in 2021.

2 Emphasis on Consumer Touchpoints



- On October 31, we launched Nintendo Music, a music streaming service for Nintendo Switch Online members.
- Through a smart phone app, users can listen to music from their favorite titles even while they are not playing video games, where we hope they will further grow their fondness for Nintendo IP.

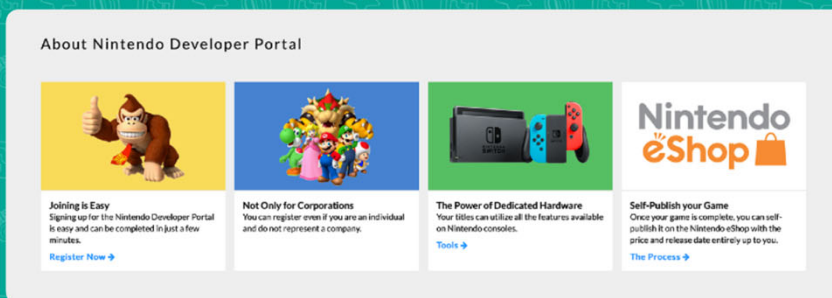
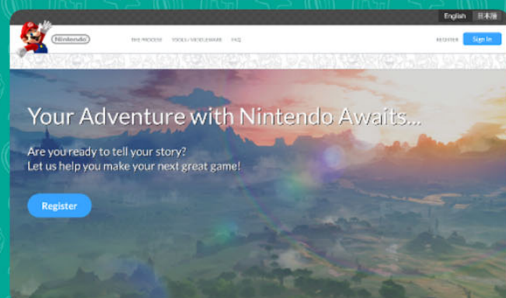
2 Emphasis on Consumer Touchpoints



- Contributions to earnings in the form of increased digital sales come from initiatives aimed at encouraging users to play our titles longer-term, in addition to our efforts to get more consumers to pick up software.
- The blue portion of the graph shows sales of downloadable versions of packaged software, and the yellow portion includes Nintendo Switch Online, add-on content, and download-only software.
- Sales for both categories have increased significantly since the launch of Nintendo Switch. In the fiscal year ended March 2024, Nintendo Switch Online accounted for approximately half of the category shown in yellow.

3 Strengthening Relationships With Software Publishers

- Establishment of Nintendo Developer Portal, a website dedicated to developers and publishers
- Support for numerous middleware such as Unity and Unreal Engine
- Release of affordable development kits



Improved development environment and support for developers

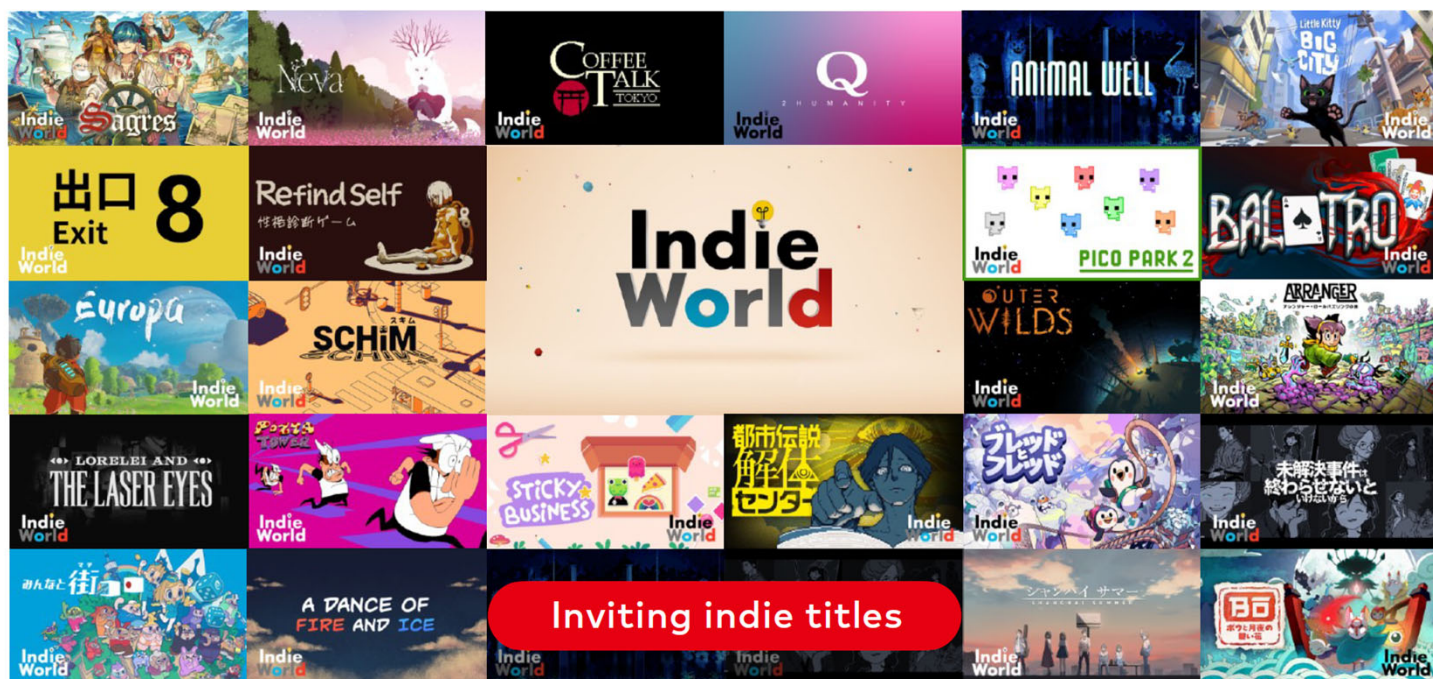
- The third change involves our relationship with software publishers.
- With Nintendo Switch, we made significant improvements in the development environment and support for game developers.
- We further enhanced our support by launching Nintendo Developer Portal, a dedicated site for developers and publishers. This portal provides an environment that makes it easier for creators to develop games for Nintendo Switch.
- We also provide support for various middleware, including commonly used game engines, as well as more affordable development kits.

3 Strengthening Relationships With Software Publishers



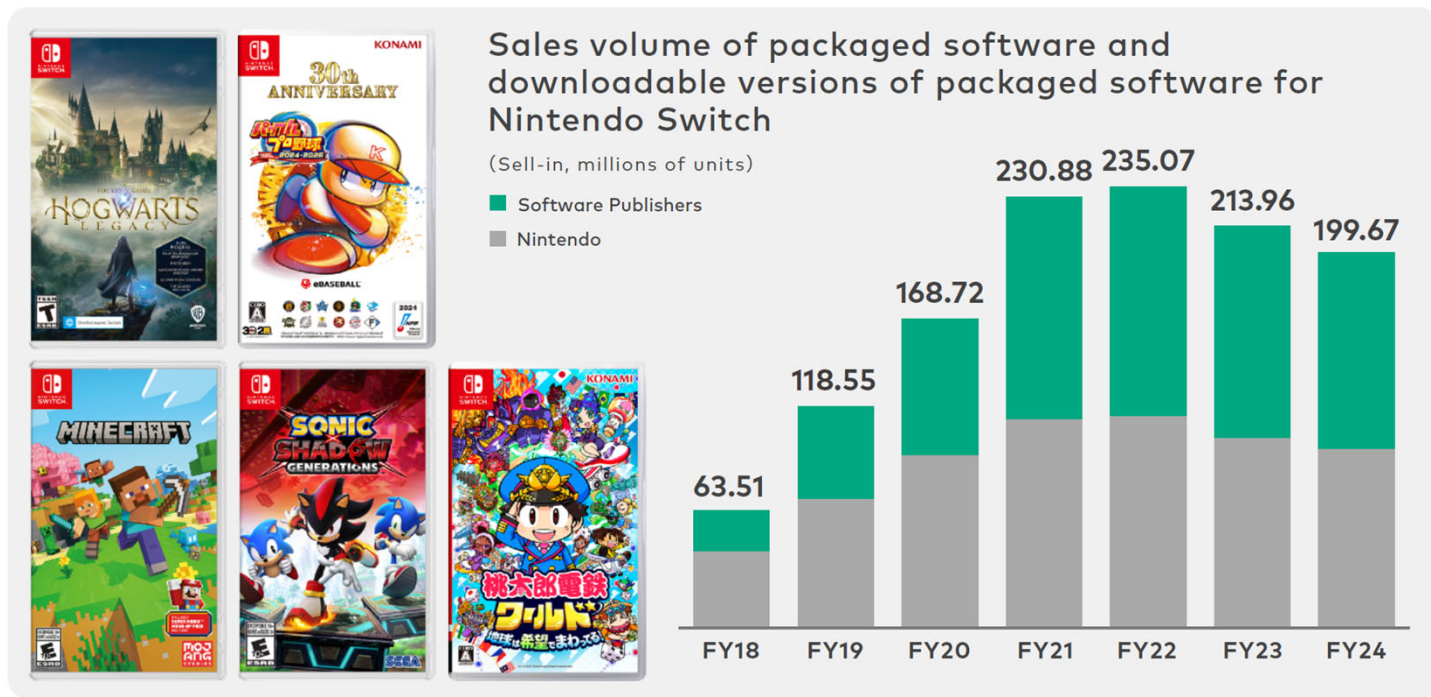
- Thanks to these efforts, our partnerships with software publishers are now stronger than ever.
- Among the publishers shown here, there are some whom we only got to know when they released software for a Nintendo platform for the first time with Nintendo Switch.

3 Strengthening Relationships With Software Publishers



- In addition, with Nintendo Switch, we have seen a significant number of releases from indie software developers. Many titles that embody the unique ideas of these indie developers frequently rank high on our download charts, adding further excitement to our platform.
- We highlight the appeal of indie titles through our Indie World special program, aiming to make both the development and sales aspects of our platform attractive to developers.

3 Strengthening Relationships With Software Publishers



- As a result, about half of the software units sold since the fiscal year ended March 2021 are titles released by other software publishers.
- This figure does not include the numerous download-only titles that have been released by software publishers.
- Sales of both first-party titles and those released by other software publishers continue to achieve high levels of sales.

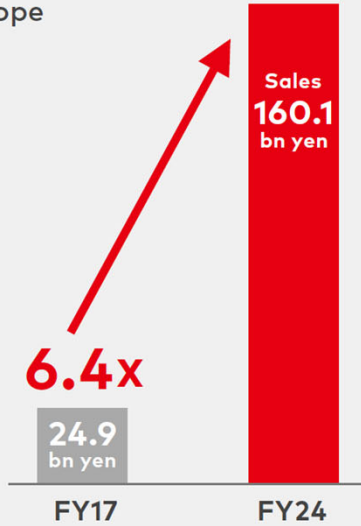
4 Regional Expansion Into Growing Markets



- The fourth change is geographic expansion into growing markets.
- Since the launch of Nintendo Switch, we have accelerated our efforts in regions beyond Japan, North America, and Europe, to increase awareness of Nintendo and to encourage people to try our games.
- Many more Nintendo Switch first-party titles are now available in languages such as Traditional and Simplified Chinese, as well as Portuguese. This additional language support in growing markets allows consumers to enjoy titles previously hindered by language barriers.
- In addition to expanded language support, we worked on a series of initiatives to generate greater interest among consumers in regions such as Asia and Central and South America. This includes deploying Nintendo eShop, supporting retailers to provide attractive shopping environments, and running promotions and commercials that feature local talent.
- Furthermore, we have offered pop-up stores and consumer interaction events, further garnering the interest of people outside of Japan, North America, and Europe.

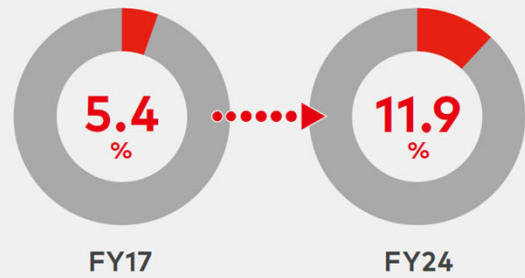
4 Regional Expansion Into Growing Markets

Dedicated video game platform sales in regions other than Japan, the Americas, and Europe



Sales in regions other than Japan, the Americas, and Europe consist mainly of Asia and Oceania. Central and South America regions are not represented in the dedicated video game platform sales and unit sales figures shown.

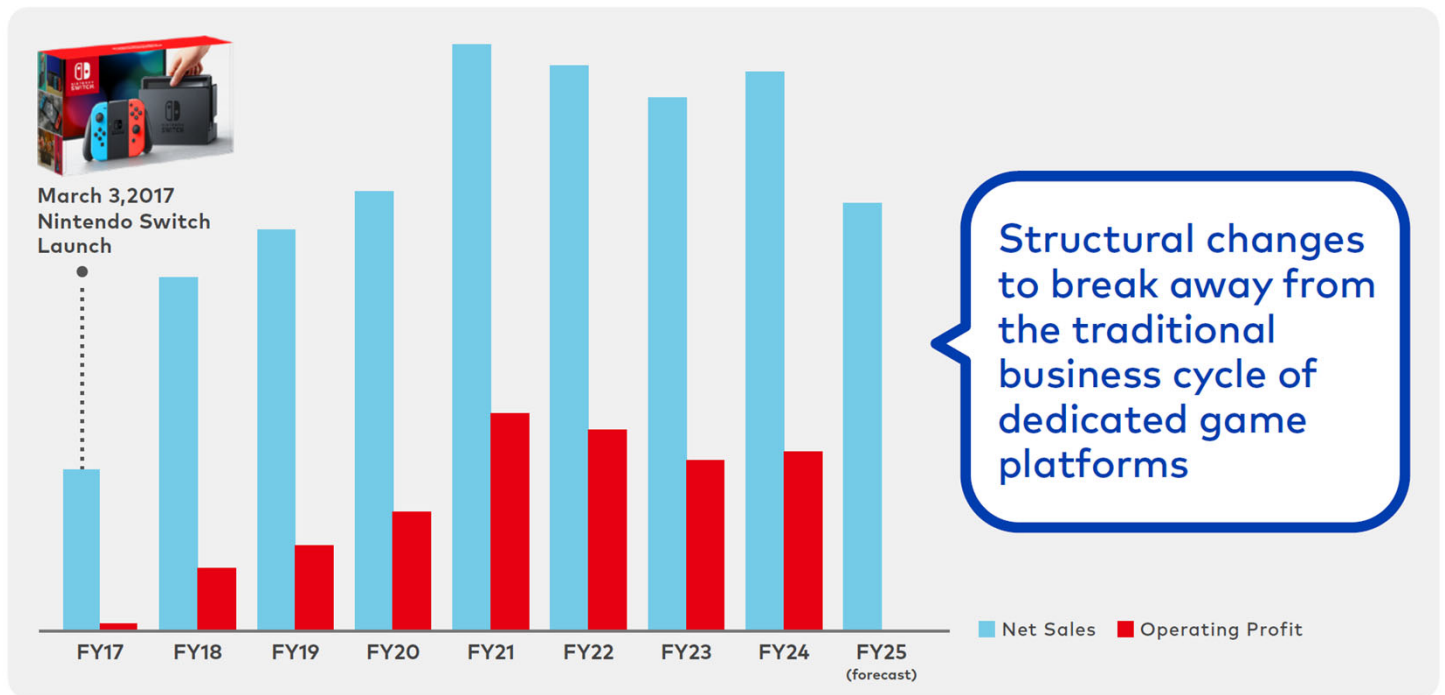
Hardware unit sales ratio* for regions other than Japan, the Americas, and Europe



*FY17 includes Wii U, Nintendo 3DS and Nintendo Switch sales while FY24 includes Nintendo Switch sales only

- As a result, sales in regions outside Japan, the Americas, and Europe have increased 6.4-fold, and the share of hardware unit sales has surpassed 10% of total unit sales since the launch of Nintendo Switch.

Earnings Since the Launch of Nintendo Switch



- Through these changes, we believe we are breaking away from the traditional dedicated video game platform business cycle and are building a new foundation for the future.

Toward Further Growth

Expanding the Number of People Who Have Access to Nintendo IP

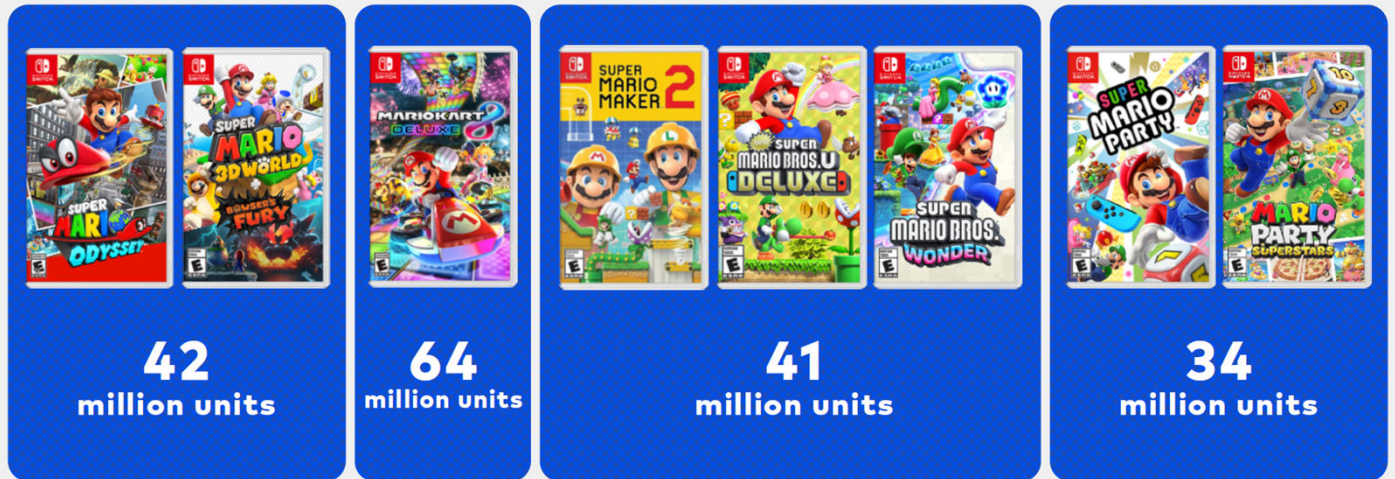
- Expand the Nintendo IP fan base
- Strengthen relationships with consumers

- In addition to structural changes surrounding our dedicated video game platform business, much of the improvement in our financial results since the launch of Nintendo Switch can be attributed to our efforts to increase the number of people who have access to Nintendo IP.
- So far, the response to our efforts to increase the number of people who have access to Nintendo IP has been quite positive. To spur further growth, we will continue to promote this idea over the medium-term and across hardware generations.



- Because we consider our strength to lie in our IP assets, such as our characters which have grown alongside the memories consumers have made while playing our games over years, we have been actively utilizing our IP.
- One result of these efforts is the growth of many series titles on Nintendo Switch.

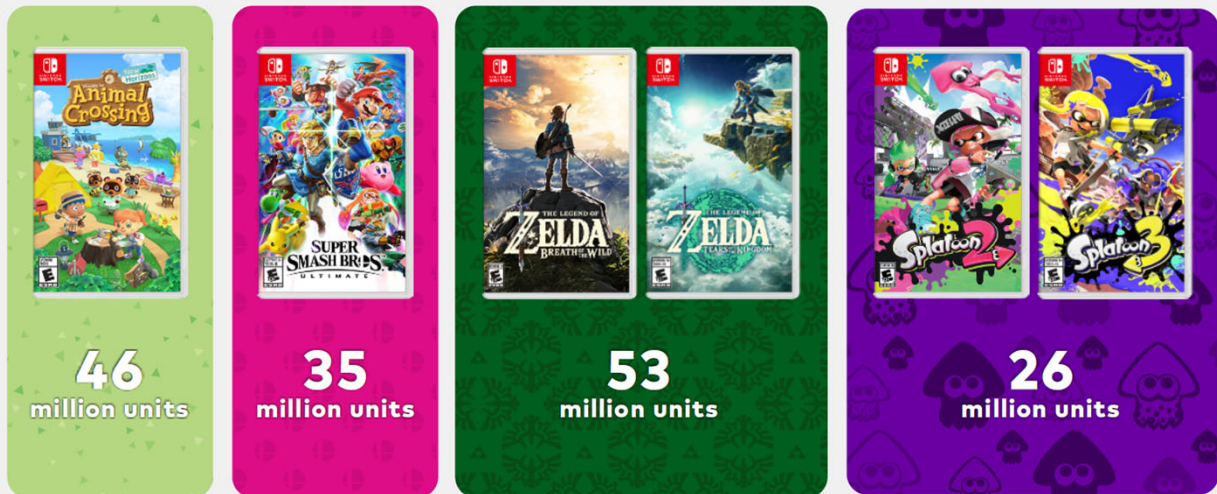
Sales Volumes for Mario Related Titles on Nintendo Switch



*Sell-in figures as of September 30, 2024

- Among Mario related titles for Nintendo Switch, the 3D Super Mario series, Mario Kart, 2D Super Mario series, and Mario Party series have each posted combined sales exceeding 30 million units.

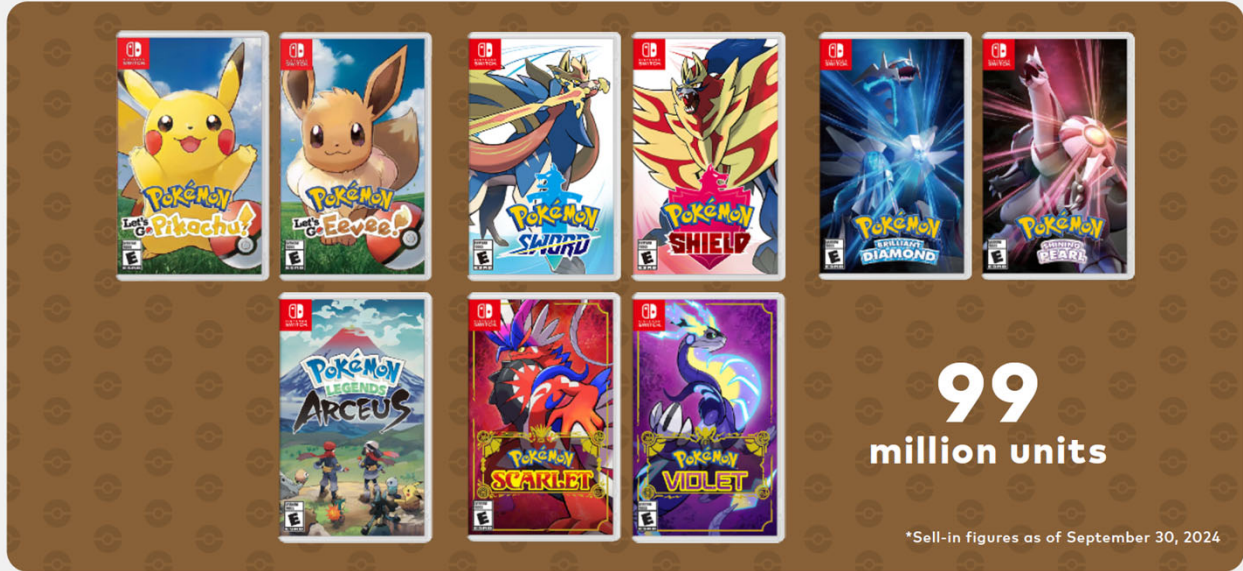
Sales Volumes for Nintendo Switch Titles



*Sell-in figures as of September 30, 2024

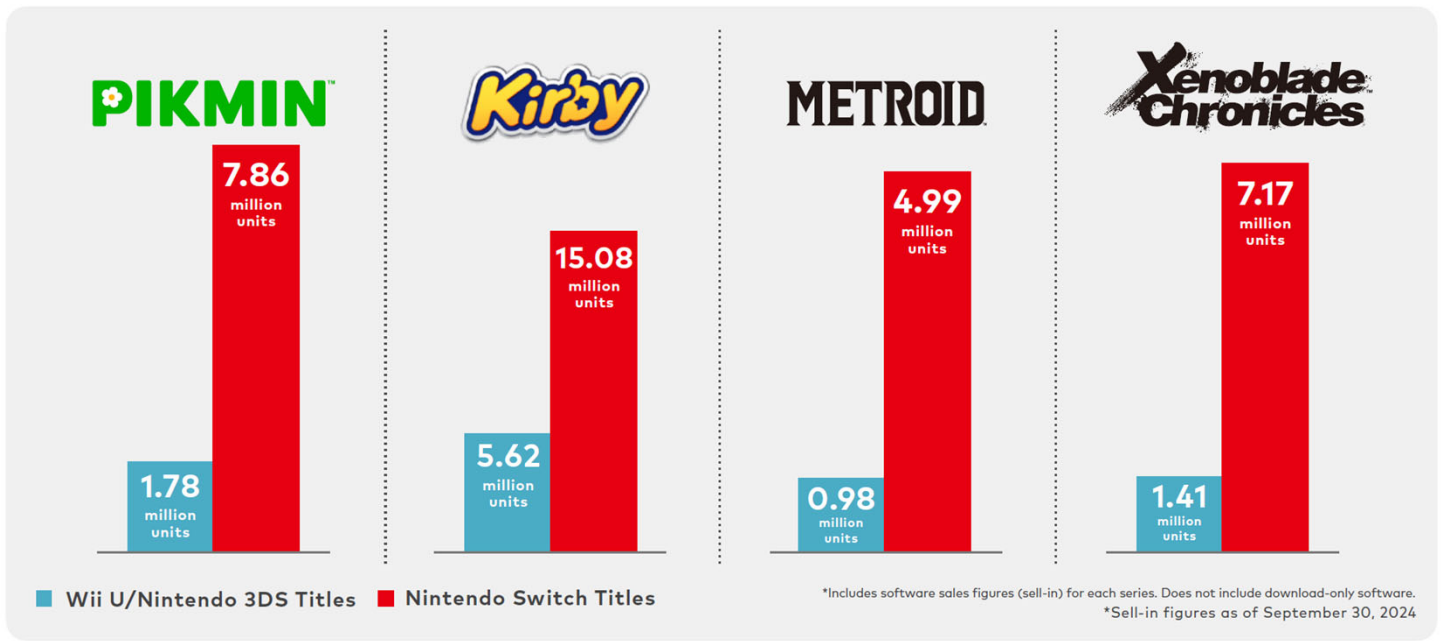
- The scope of sales has also expanded for franchises beyond Mario.
- Nintendo Switch entries in the Animal Crossing, Super Smash Bros., Legend of Zelda, and Splatoon series have all become distinguished evergreen titles that support our dedicated video game platform business.

Sales Volume for Pokémon Series Titles on Nintendo Switch



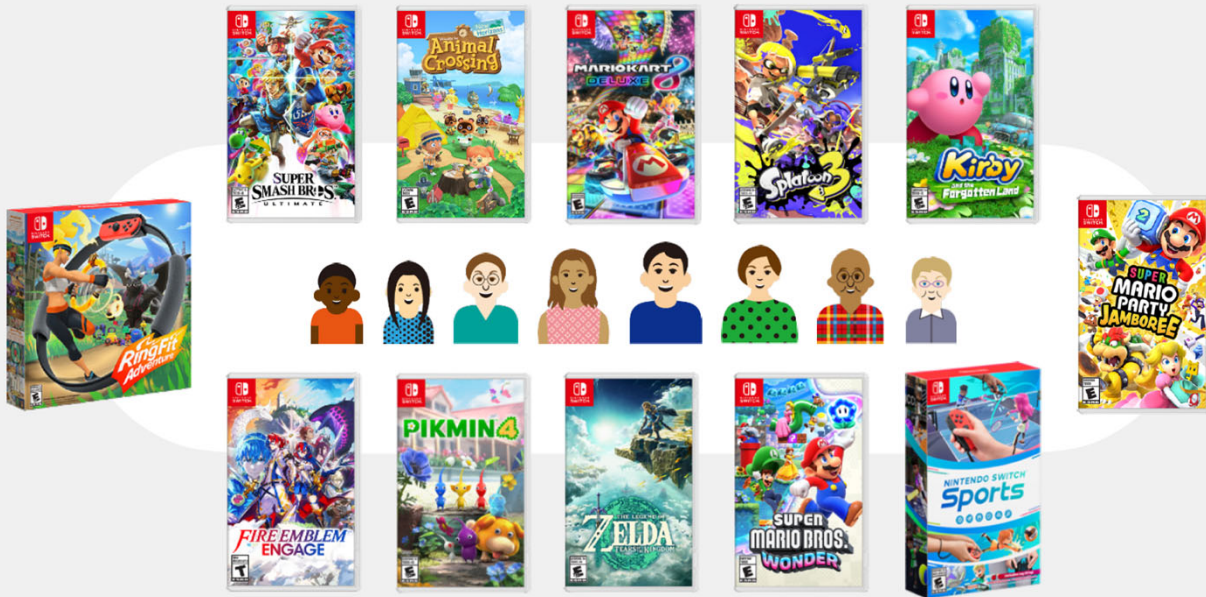
- The Pokémon series, originally developed for handheld gaming systems, has also found a new home on Nintendo Switch, where the scope of sales has greatly increased.
- The cumulative sales volume for the series on Nintendo Switch is approaching 100 million units.

Many Series Titles are Showing Growth on Nintendo Switch



- This chart compares the total sales volumes for series titles on Wii U and Nintendo 3DS versus series titles on Nintendo Switch for each IP.
- Many series titles such as Pikmin, Kirby, Metroid, and Xenoblade Chronicles, have seen dramatic sales growth on Nintendo Switch.

Development and Release of Software That Utilize Characteristics of Each IP



- We believe that the growth of Nintendo IP has been due more than anything else to the many people around the world playing and enjoying our games.
- Nintendo has carefully crafted each title to align with the characteristics of the IP.
- This approach to software development has remained consistent since we first developed titles for Nintendo Entertainment System.

Expanding the Number of People Who Have Access to Nintendo IP



- At the same time, in recent years we have been expanding Nintendo IP in a wide range of fields such as visual content, theme parks, mobile apps, and merchandise. These initiatives aim to create continuous touchpoints with not only current Nintendo game players but also those who are taking a break from games, and even attract the attention of those who have not previously shown much interest in games.

Visual Content



2023



2026



202X

- In the field of visual content, we are making direct investments and are deeply involved in the planning and development of multiple productions.
- *The Super Mario Bros. Movie*, a joint production with Illumination, was released in April last year and was viewed in theaters by approximately 170 million people. This film was enjoyed by people of all ages worldwide, regardless of gaming experience, making Mario more familiar to a broader audience than ever before.
- Looking ahead, we are creating a new animated film based on the world of Super Mario Bros., set for theatrical release in April 2026. Additionally, we are planning and developing a live-action film of The Legend of Zelda.

Theme Parks



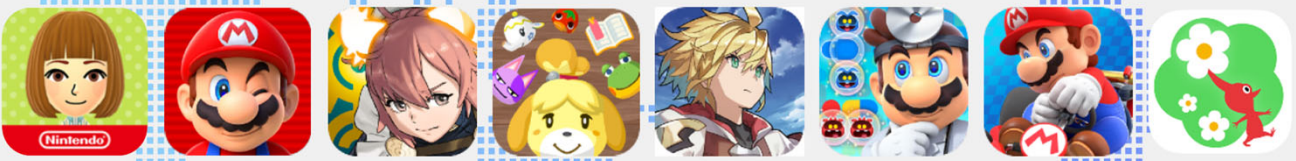
- SUPER NINTENDO WORLD, where people can immerse themselves in the world of Nintendo characters and games, is expanding to locations worldwide.
- SUPER NINTENDO WORLD first opened at Universal Studios Japan in Osaka in 2021. Since then, it has expanded beyond Japan, with a second location opening at Universal Studios Hollywood in 2023.
- Additional SUPER NINTENDO WORLD theme park areas are planned, starting in Orlando in the U.S. on May 22, 2025, followed by Singapore. Furthermore, Universal Studios Japan plans to open a new area themed after Donkey Kong in 2024.

Mobile Apps

Encompasses **164** countries and regions

More than **920** million
downloads

(As of September 30, 2024)



Total number of unique users for apps released so far by Nintendo
Pikmin Bloom is an app distributed by Niantic, Inc.

- Our mobile apps are distributed in 164 countries and regions, allowing us to reach consumers beyond our dedicated video game platforms and enhance global recognition of our IP.
- To date, we have distributed the apps shown on the slide, with cumulative downloads exceeding 920 million as of September 30, 2024.

Official Stores



- Our directly managed official stores include Nintendo TOKYO, Nintendo OSAKA, and Nintendo KYOTO in Japan and Nintendo New York in the U.S. Nintendo SAN FRANCISCO is scheduled to open in 2025.
- In addition to offering gaming systems, software, and merchandise, our official stores serve as hubs for communicating information about Nintendo, allowing people to demo software and participate in events.
- We are expanding our pop-up stores to regions without permanent locations. Last year, we opened pop-up stores in Seoul, Singapore, and Hong Kong. This year, we have expanded to various European cities such as Paris, Zurich, and Lucca, as well as Taipei, creating more touchpoints with consumers.

Nintendo Museum



- Nintendo Museum opened in Uji City, Kyoto on October 2.
- Nintendo Museum is a place where, through the various products we have developed starting with *hanafuda* playing cards all the way through Nintendo Switch, people can discover and experience the history of the entertainment that Nintendo has continuously created over the years.



- Since opening, the museum has welcomed many people, and we believe they are enjoying their visit while experiencing the passion and care that we put into crafting our products.

Expanding the Number of People Who Have Access to Nintendo IP



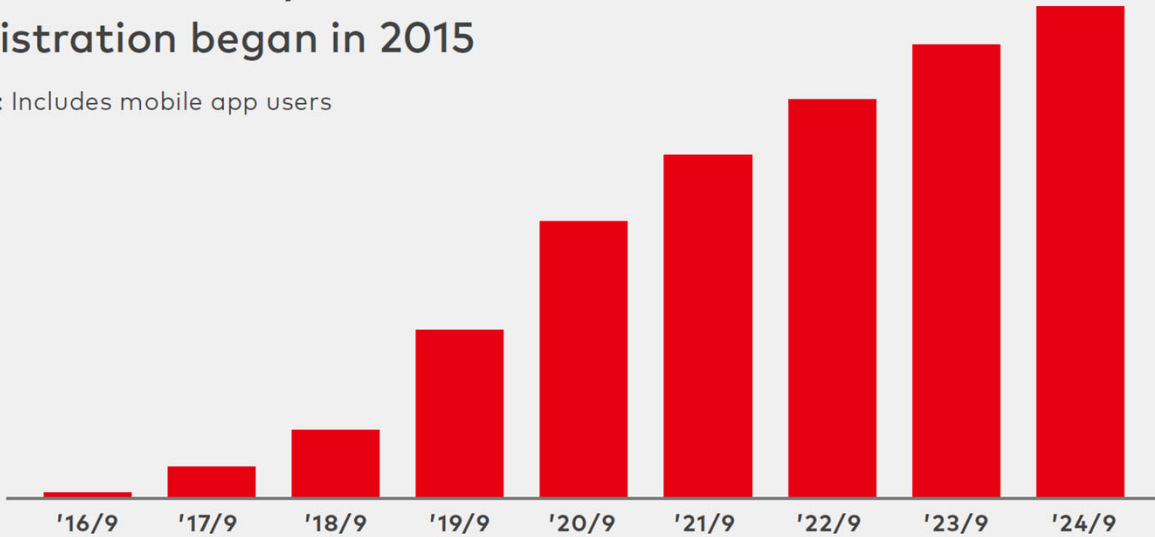
- With our initiatives to expand access to Nintendo IP, we aim to continually create touchpoints with consumers and deepen their fondness for Nintendo IP.
- In addition, we work to try and create touch points that could spark interest in our video games.
- In the course of these initiatives, we also want to use Nintendo Account to build positive, long-term relationships with each consumer.

Nintendo Account

The number of users has increased steadily since registration began in 2015

Note: Includes mobile app users

366million



- Nintendo Account was introduced in December 2015, and has been broadly adopted due to widespread use of Nintendo Switch and Nintendo mobile apps. Today, the number of accounts has surpassed 366 million.

Nintendo Account

Supporting Long-Term Relationships With Our Consumers



Purchase
history



Save data



Friends



Gameplay
history

- As previously communicated, we will continue using Nintendo Account to build positive, long-term relationships with consumers who encounter our games through our various IP initiatives.

Future Outlook

Expanding Nintendo IP

Value-Added Services

Nintendo Account



Integrated Hardware-Software
Nintendo DS • Wii



Integrated Hardware-Software
Nintendo Switch

Integrated Hardware-Software
Successor to Nintendo Switch

..... 2004 2006 2017 20XX▶

- Until Nintendo Switch, there was no easy way to have consumers' purchase and gameplay histories carry over across platform generations. As a result, our relationship with the consumers was interrupted when a new system was purchased.
- The introduction of Nintendo Account made it possible to tie consumers' history to their personal account, enabling Nintendo to maintain a continuous relationship with the consumers across platform generations.
- We have communicated that we plan on making an announcement regarding the successor to Nintendo Switch during this fiscal year. We believe that it is important for Nintendo's future to make use of Nintendo Account and carry over the good relationship that we have built with the over 100 million annual playing users on Nintendo Switch to its successor.
- Thus, we will make Nintendo Switch Online, a service based on Nintendo Account, available on the successor to Nintendo Switch.

Nintendo Switch Software Will Also Be Playable on the Successor to Nintendo Switch

- Furthermore, Nintendo Switch software will also be playable on the successor to Nintendo Switch.
- In addition to being able to play Nintendo Switch software they currently own, consumers will be able to choose their next purchase from a broad selection of titles released for Nintendo Switch.
- Further information about the successor to Nintendo Switch, including its compatibility with Nintendo Switch I explained today, will be announced at a later date.

Cash Utilization and ESG

- Lastly, I will discuss the utilization of our cash reserves and our ESG initiatives.

Cash Utilization

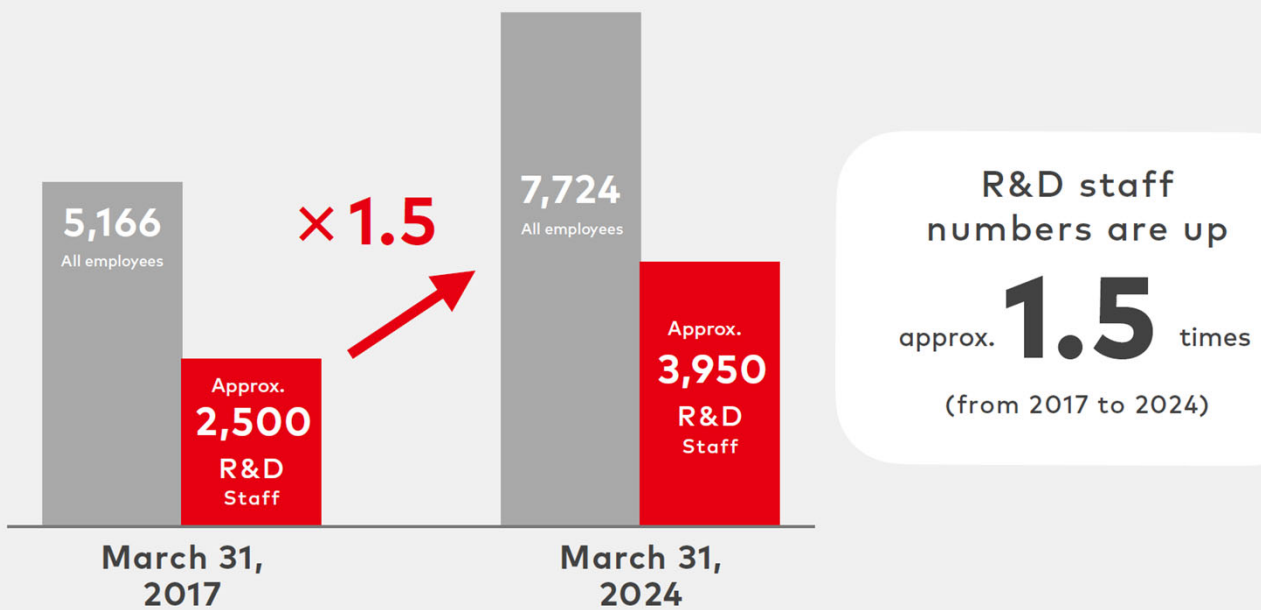
In addition to conventional investments in R&D and capital expenditure, we are also strengthening investments in these other fields

Area	Overview	Investment Scale	Examples	
Building software assets	Games	Expand the game software development team within the Nintendo group	Up to 100.0 bn yen	<ul style="list-style-type: none"> Expansion of development facilities through the construction of Corporate Headquarters Development Center, Building No. 2 (tentative name) Acquisition of developers as subsidiaries
	Non-game entertainment	Pursue business opportunities that have affinity with the game business (e.g., visual content)	Up to 50.0 bn yen	<ul style="list-style-type: none"> Utilization of funds towards the continuous production of visual content Acquisition of a visual content production company as a subsidiary
Foundation for maintaining and expanding our relationships with consumers	Strengthen and expand our points of contact with consumers, centering on Nintendo Account, and promote infrastructure development and partnership building	Up to 300.0 bn yen	<ul style="list-style-type: none"> Establishing a joint venture with DeNA Consolidating brands on e-commerce sites Expanding the Nintendo Switch Online service Establishing Nintendo eShops in Asia and South America Expanding directly managed physical stores 	

***Cash utilization is continuously being deliberated, and investment scale will exceed the above figures**

- As previously explained, in addition to our conventional investments in R&D and capital, we are also implementing initiatives to utilize cash on hand to accumulate software assets and to establish a foundation for maintaining and expanding our consumer relationships.
- Regarding the accumulation of software assets, alongside our initiatives to expand the development framework for game software within the Nintendo group, we are also pursuing business opportunities in other areas of entertainment that have a high affinity with the game business, such as visual content.
- In our effort to maintain and expand our relationships with consumers, we will promote infrastructure development and partnership building in order to strengthen and expand our touchpoints with consumers, centering on Nintendo Account.
- Since its announcement in 2021, we have continuously discussed and reviewed this cash utilization plan, and we now expect the scale of investment to exceed our initial expectations.
- Specifically, investment in the games category is expected to grow significantly due to increased capital expenditure on Corporate Headquarters Development Center, Building No. 2 (tentative name), which will enhance our research and development capacity.
- Furthermore, in the non-game entertainment category, we plan to further utilize cash on hand to help continue delivering movies and other forms of visual content.

Strengthening Development Resources



- In the field of games, we are expanding and enhancing our software development capabilities within the Nintendo group.
- From 2017 to 2024, our R&D staff has increased by 1.5 times through recruitment as well as acquisitions of partner game development companies.

Corporate Headquarters Development Center, Building No.2 (Tentative Name)



Expansion of development facilities through the construction of Corporate Headquarters Development Center, Building No.2 (tentative name)

Building Concept Art
Note: As released in April 2022

- As part of the strategy to expand our development base, we plan to build Corporate Headquarters Development Center, Building No.2 (tentative name).
- This second development center will be equipped with facilities for software development as well as a hardware research and development facility and will play an important role in strengthening our future R&D capability.

Strengthening Development Resources

The infographic is divided into two main sections. The left section, on a white background, lists established subsidiaries: NINTENDO CUBE (blue box), NINTENDO TECHNOLOGY DEVELOPMENT (red box with Nintendo logo), 1-UP STUDIO (green box), NINTENDO EUROPEAN RESEARCH & DEVELOPMENT (red box with Nintendo logo), MARIO CLUB (red box), NINTENDO SOFTWARE TECHNOLOGY (red box with Nintendo logo), MONOLITH SOFT (black text), and RETRO STUDIOS (blue and black text). The right section, on a light blue background, lists additions from 2021 onward: SRD (blue text), NEXT LEVEL GAMES (black text with a white disc icon), NINTENDO PICTURES (red box with Nintendo logo), SHIVER (blue text with a white bird icon), and NINTENDO SYSTEMS (red box with Nintendo logo). Below these is the text 'Additions to the Nintendo group from 2021 onward'.

- Here is a list of our research and development subsidiaries.
- Since 2021, we have added Next Level Games, SRD, and Shiver in game development, Nintendo Pictures in visual content for non-game entertainment, and Nintendo Systems as part of our effort to maintain and expand relationships with our consumers.
- While we do not rule out the possibility of further mergers and acquisitions, our priority is to organically expand the organization so that new staff members are able to fully learn and understand our creative culture.

ESG Initiatives at Nintendo

E (Environment)

Consideration for the Global Environment



Climate Change

Energy-conserving product design, use of renewable energy, information disclosure aligned with TCFD recommendations



Efficient use of resources

Reduction and miniaturization of components and packaging, reuse of shipping materials for transportation, repairs and consumer support to extend the life of products

Engaging with our stakeholders

Requests to build and operate environmental management systems, confirmation of initiatives to reduce CO2 emissions and environmental impact

S (Social)

Putting Smiles on the Face of Everyone



Offering play with peace of mind

Internal standards for safe and durable design, integrated Parental Controls, easy-to-use designs and features for everyone



Promoting CSR procurement throughout our entire supply chain

Nintendo CSR Procurement Guidelines, supply chain due diligence, responsible mineral procurement, RBA* membership

*An industry alliance dedicated to advancing social responsibility in global supply chains



Building an environment where each and every employee can realize their potential

Diversity, equity and inclusion, building an engaging work environment, cultivating and developing talent based on the Nintendo DNA

G (Governance)

Achieving Transparency in Management

Ensuring diversity in the Board of Directors and improving effectiveness

Appoint female and non-Japanese members to the Board, and appoint at least 1/3 outside directors

Improve objectivity and transparency in the process to determine nominations and compensation

Operation of non-mandatory Nomination Advisory Committee, introduced stock compensation system

Fair, appropriate, and timely disclosure of information

Hold Financial Result Briefings and Corporate Management Policy Briefings, release English translations of documents

Enhancing opportunities for shareholder dialogue

Actively creating opportunities for dialogue with institutional investors, both inside and outside of Japan

- With the goal of putting smiles on the faces of everyone Nintendo touches, we aim to contribute to the lives of people worldwide, society, and the environment by continuing ESG initiatives that are uniquely Nintendo.
- As for the environment, Nintendo exercises care with the environmental footprint of our offices and embarks on various initiatives to reduce the environmental impact of our products. These initiatives span the design stage to post-sales repair and support and continue through to recycling.
- In the area of society, we implement a variety of initiatives, such as internal standards for safe and durable design and the integration of Parental Controls features, to ensure that consumers can play our games with peace of mind. In addition, we have established the Nintendo CSR Procurement Guidelines and we are promoting CSR activities throughout our supply chain.
- Among our employee initiatives, we are working to enhance our systems and promote their use, to provide an environment where each employee can utilize their personal strengths to maximize their potential. Going forward, in order to bring smiles to people around the world through entertainment, we continue to cherish our heritage of the Nintendo DNA – originality, flexibility and sincerity – which we uphold as ideals for our employees.
- In the area of governance, we are working to ensure diversity in the Board of Directors by appointing women and foreign nationals to director roles, as well as maintaining objectivity and transparency in our compensation

system, including stock-based compensation. We also strive to disclose information appropriately in a fair and timely manner, and proactively create opportunities for conversations with a wide range of institutional investors both within and outside of Japan so as to promote understanding of our company.

Build Good, Lasting Consumer Relationships

- Bring smiles to generations of consumers through incredibly fun and unique entertainment experiences
- Anticipate and meet the needs and wants of consumers by continuing to develop our IP and value-added services
- Aim to be a safe and secure brand through the release of products and services, and by making information available

- Nintendo will continue to meet people's expectations by offering incredibly fun and unique entertainment experiences. This commitment drives us to create unique integrated hardware and software products and services, solidifying our position in the home entertainment field.
- Additionally, by expanding our IP, offering value-added services, and striving to be a brand that provides safety and peace of mind, we will continue to build trust with consumers that across generations.

Smiles Through Entertainment



- We will continue to build long-term relationships with each of our consumers and, through entertainment offerings that are uniquely Nintendo, strive to bring smiles to as many people as possible.



- This concludes today's presentation. Thank you for joining us.