

Bringing Surprise and Delight to Our Consumers

What is the Role of Video Gaming in a Society Where Interpersonal Relationships are Changing?

Before we launch any new product, anxiety sometimes overshadows my sense of anticipation because I worry about whether Nintendo's true vision will be communicated to our consumers. At Nintendo, we strive to develop products that will bring smiles and a sense of wonder to more and more people; yet, we cannot know for sure how consumers will react until the new product is released. So with each new product, I fervently hope for a good launch.

My goal for the launch of the Nintendo 3DS system is to see more people experience it than have thus far experienced the Nintendo DS. I am certain that even those who until now have had no interest in video games would enjoy the 3D images of the Nintendo 3DS. I think that if we can get these people to feel surprised and react with "Wow! This is fun," and "It's really 3D!," we will have succeeded in moving one step closer to our goal of expanding the gaming population.

Recently, social-networking services have become increasingly popular. I think these services developed out of people's strong desire to reach out and communicate with others over the Internet, as direct communication declines; however, maintaining relationships via the Internet requires active effort. It seems that, although some people communicate well via this networked medium, others do not yet feel comfortable with this sort of communication. So, in addition to the 3D features of the Nintendo 3DS, we focused on improving its communication features. Wherever you go, if you have your Nintendo 3DS with you and the StreetPass feature is enabled, you can exchange game data with the Nintendo 3DS systems of people around you.

Although the Nintendo DS has a similar feature, called Tag Mode, communication via the Nintendo DS is possible only when two users have inserted the same software into their systems. The Nintendo 3DS can communicate with other Nintendo 3DS systems, even without software inserted. We believe the improved communication features of the Nintendo 3DS will foster enjoyable, loose-knit connections.

Nintendo has a long-standing commitment to social entertainment, which makes entertainment more fun by adding a social element that helps build relationships with other people. Nintendo started out in the playing-card business, so social entertainment is literally part of our roots. As a company, we have always offered entertainment that is based on interpersonal relationships. This unique background enables us

to offer games that we hope will have family members talking to each other more, becoming closer to each other by having fun together. This is something that social-networking technologies have thus far failed to deliver.

Safe Viewing of 3D Images

The Nintendo 3DS system creates 3D visuals by projecting different images to the left and right eyes. The brain combines these images and perceives them as three-dimensional. Due to theories that the ability to see three-dimensional objects does not mature until the age of six, and that long periods of viewing 3D images could impact a child's developing vision, the Nintendo 3DS features Parental Controls that enable parents and guardians to prevent the system from displaying 3D images without their approval. Moreover, the Nintendo 3DS packaging prominently displays information stating that children six years old or younger should not view 3D images without parental consent. Although it is rare for companies to label their products with information that could adversely affect sales, we believe it is important to provide information proactively to ensure that parents and guardians understand that even their young children can enjoy the Nintendo 3DS safely.

Building Productive Partnerships

At Nintendo, before completing a product we work closely with a wide range of stakeholders, particularly the parts manufacturers. We must have absolute confidence in the quality of each part to ensure that consumers can enjoy our products safely. To that end, we must communicate our fundamental parts procurement approach to our suppliers, the suppliers' component manufacturers and even the manufacturers' vendors. Consumers will lose confidence in our products if we do not communicate our high safety and environmental standards. To facilitate this, during fiscal year 2010, we held green procurement seminars for 170 suppliers in China, where many of our production partners are based.

We also strongly emphasize a number of CSR issues, including raw materials and the work environments of our partners' production processes. Resolving these issues can be difficult when communication breaks down. If companies fail to work as equals with their production partners, these partners are more

likely to conceal problems. We believe in continued dialogue with our production partners to maintain an unbiased position throughout the process, and to encourage full cooperation when enacting solutions and enable continued improvements.

For a Better Future

When we set out to expand the gaming population, we targeted people from 5 to 95 years of age. While this initially seemed an impossible goal, I have been told that people aged 95 and older are enjoying titles like *Wii Sports Resort*, which was introduced in Japan during June 2009. This is just one example

of how we have overcome our preconceived barriers. We are committed to benefiting society by bringing smiles to more people, and we intend to accomplish our goals by continually overcoming such preconceptions, and by discovering and fulfilling consumers' unmet needs. I hope that everyone at Nintendo and everyone involved with Nintendo will move forward with me in our efforts to create a better future.

* This interview was conducted on February 10, 2011, before the launch of the Nintendo 3DS system.

