

Reliable and Trustworthy Business Practices

To gain and secure the trust of our stakeholders, we exercise fair and sound judgment when running our business, and emphasize corporate compliance and risk management.

Corporate Governance

At Nintendo, we strive to maximize long-term corporate value while carefully considering the benefits for everyone we touch. We are working to achieve a highly transparent and sound system of corporate governance; we also educate our employees about good corporate ethics.

Execution and Supervision of Business Operations

Nintendo's unique business is based on the software-driven integration of hardware and software. We believe that the optimal managerial structure allows our Directors, individuals familiar with our unique business, to execute their own business operations as Directors, make decisions on company-wide business operations and oversee other Directors' execution of business operations as experienced members of the Board of Directors. To strengthen shareholder supervision of Directors and respond in a timely way to changes in the managerial environment, Directors are elected for a term of one year.

In addition to the Board of Directors, the Executive Management Committee, which consists of Representative Directors from the Board of Directors, drives prompt and efficient decision-making.

Audits

Nintendo Co., Ltd. has five Auditors, including three Outside Auditors (as of the end of March 2011) who are Independent Officers with no interests in Nintendo. In addition to attending meetings of the Board of Directors and other important meetings, Auditors meet regularly with the President and hold monthly meetings of the Board of Auditors to exchange views on auditing. Auditors strive to make audits more efficient and effective by holding discussions with the Internal Auditing Department, which is under the direct supervision of the President.

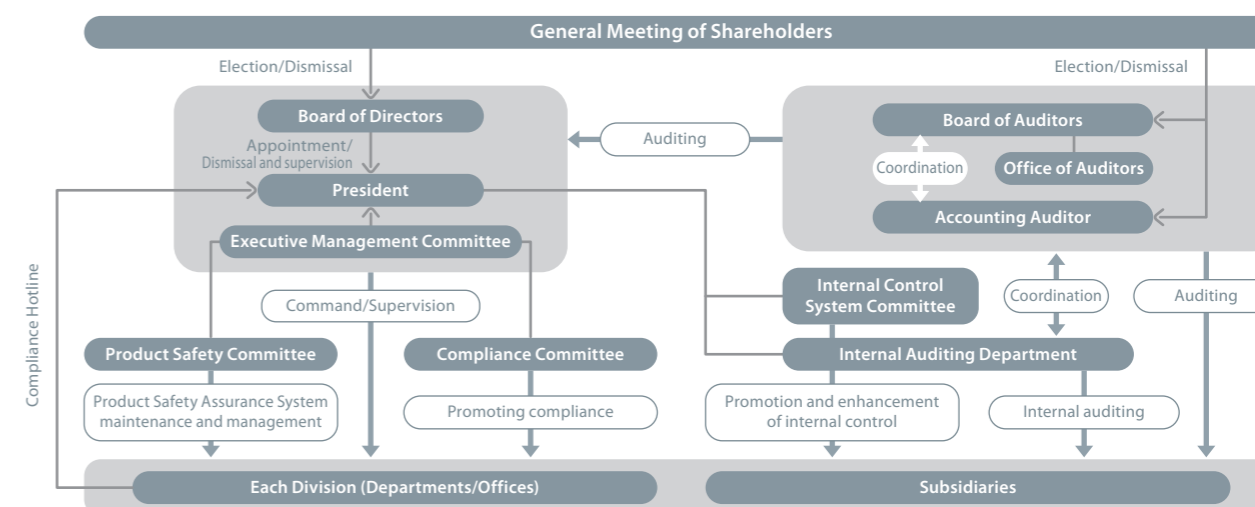
The Accounting Auditor conducts audits efficiently and effectively, sharing required information and exchanging views based on close coordination with the Auditors and the Internal Auditing Department.

The Internal Auditing Department conducts internal audits of business operations from the perspectives of efficiency, efficacy and legal compliance, maintaining a fair and unbiased position independent from operational departments.

Strengthening Internal Controls

To maintain and improve Nintendo's sound management structure and ensure appropriate business operations, we established the Internal Control System Committee, chaired by the President, which continues its efforts to strengthen the system of internal controls for the entire Nintendo Group. The main companies in the Nintendo Group have internal audit divisions that conduct internal audits of the group as a whole, in conjunction with the Internal Auditing Department of Nintendo Co., Ltd. The Nintendo Group internal auditing process involves not only the auditing of business operations in each region, but also the auditing of internal controls, including compliance with Japan's Financial Instruments and Exchange Act, and a review of risk management. The internal audit divisions also hold global conferences as needed, promoting mutual understanding between the internal audit divisions of each region, sharing information and building consensus.

Corporate Governance Structure



Compliance

As a company with the goal of persistent growth and expansion, Nintendo realizes the importance of building and maintaining trust, which requires adherence to laws, social norms and Nintendo's internal rules and conventions. In other words, it requires compliance. To firmly base its business operations on compliance, Nintendo has established and implemented region-specific codes of conduct.

Activities of the Compliance Committee

Nintendo Co., Ltd. has established the Compliance Committee, under the supervision of the Executive Management Committee, to develop measures and policies for facilitating compliance.

Although no violations were found in fiscal year 2010 audits, the Compliance Committee stays informed about current global issues and makes appropriate improvements, so as to foster a firmly-rooted awareness of compliance.

Promoting Compliance in the Group

To enhance and promote compliance throughout the Nintendo Group, we set up the Global Compliance Committee (GCC), comprising executive management and core personnel responsible for legal affairs and compliance from Nintendo Co., Ltd. and its major overseas subsidiaries. This Committee holds the GCC Core Members Meetings for core personnel at the major group companies twice each year, as a practical channel for sharing and exchanging information about compliance-related issues and future tasks that affect each of our companies.

Compliance Hotline

Nintendo Co., Ltd. has established a system, called the Compliance Hotline, for the internal reporting of compliance-related issues. Using the Hotline, employees can report suspected illegal actions or other misconduct directly to the President. We specify in our standards that employees are protected from any disadvantage when they use this Hotline.

Our major overseas subsidiaries have also established similar reporting systems, adapted to the laws and regulations of their respective regions. In the unlikely event that an employee at one of our subsidiaries becomes aware of any misconduct of a member of their executive management, they can also report the incident directly to the President of Nintendo Co., Ltd.

Protecting and Managing Information

Nintendo Co., Ltd. has established in-house standards, including Information Management Standards and Personal Information Management Standards, to ensure that important information is handled appropriately. We employ physical and technological measures, including access control, to facilitate proper management of confidential and personal information.

Internal Seminars

Nintendo Co., Ltd. focuses on compliance training. In fiscal year 2010, a total of 587 participants took part in compliance training and educational programs. Each department is given a questionnaire requesting seminar topic suggestions; seminar planning is based on department needs. In fiscal year 2010, we held a seminar on product safety based on a suggestion from the Quality Assurance Department (see P. 19).

Compliance Seminar Data (FY2010)

Topic	Participants	Number of Attendees
Compliance Basics	New recruits of 2010	110
Background of Misconduct	Compliance Officers	51
Antitrust (Case Study)	Employees requiring knowledge of the antitrust law	182
Attitudes Toward Product Safety	Employees of departments involved in product safety	244

Basic Policy on Risk Management

Nintendo recognizes the importance of having systems in place to identify, understand and evaluate the various risks surrounding the company; we take every measure to avoid or reduce such risks. In the event of an incident or accident, we seek for prompt resolution.

Risk Management

Nintendo's risk management gives each division of the Nintendo Group direct responsibility for the management of its own risks. Nintendo Co., Ltd.'s Internal Auditing Department verifies the risk-management system of each group company and, as needed, suggests policy changes and offers advice.

Risk Management for Potential Emergencies

In preparation for emergencies, including natural disasters, Nintendo Co., Ltd. has created and published the *Crisis Management Manual* (revised in November 2010), which defines the fundamental actions employees should take in the event of an emergency. In addition, Nintendo Co., Ltd. has introduced a system for confirming employee safety in the event of an emergency. Drills to administer the system are conducted periodically. When the Great East Japan Earthquake struck, we used this system and other means to verify employee safety,



The *Crisis Management Manual* is the size of a business card so that employees can carry it at all times.

gather information and make decisions on support measures for the disaster areas.

Our overseas subsidiaries have also created manuals for responding to emergencies in their various regions. For example, Nintendo of America has defined basic actions for employees at each of its branch offices and conducts periodic evacuation drills and other exercises.

Intellectual Property Protection

Intellectual property is the fruit of Nintendo's research and development, and serves as the pillar of Nintendo's success. Recognizing the critical importance of protecting our intellectual property, Nintendo is taking anti-counterfeiting protection measures in cooperation with industry groups and investigative agencies in many countries. We continue to take legal action against those who infringe upon our intellectual property; we also educate the public about the importance of intellectual property protection.

To improve the ability of consumers and other stakeholders to help us identify and pursue counterfeit products, Nintendo added pages to the websites of Nintendo Co., Ltd. and Nintendo of America that enable individuals to provide information on the sale and distribution of counterfeit products. We have been able to act on this information in combating piracy by taking actions such as sending out warning letters to infringers, removing counterfeit products listed on Internet auction sites and filing criminal complaints.



Disclosure

To gain and secure the trust of our shareholders and investors, Nintendo Co., Ltd. works to ensure the fair, appropriate and timely disclosure of information. We have also created a corporate environment that facilitates the exercise of voting rights.

Financial Results Briefings and Corporate Management Policy Briefings

At Nintendo, we believe that it is vital not only to provide information about our business performance, but also to make sure that our corporate management policy is well understood. After the announcement of our financial results, Nintendo Co., Ltd. holds Financial Results Briefings for securities analysts and institutional investors (fiscal year 2010: 3 briefings) and an annual Corporate Management Policy Briefing that all Representative Directors attend. We strive to provide all stakeholders with prompt access to information provided at these meetings by immediately posting reports from the meetings, including the Q&A sessions, on our website in both Japanese and English. Video presentations by the President are also available.



Corporate Management Policy Briefing

Smooth Management of Shareholders' Meetings

To provide our shareholders with even more time to exercise their voting rights, Nintendo Co., Ltd. issues the convocation notice three weeks prior to the General Meeting of Shareholders (one week earlier than the legal requirement) and enables shareholders to vote via the Internet. In addition, for the benefit of our foreign investors, we have made the notices available in English and have adopted the Electronic Voting Platform system for institutional investors. In fiscal year 2010, we posted a summary of the Q&A session at the General Meeting of Shareholders on our website to achieve broader disclosure.