We define CSR as “Putting Smiles on the Faces of Everyone Nintendo Touches.” This CSR report is a digest version of the activities Nintendo has been working on to achieve our CSR goal. Please refer to the Nintendo Co., Ltd. website for more detailed information about our CSR activities. We welcome your opinions and comments about the CSR Report 2015 on our website.

Reporting Scope
The scope of this report covers the activities and data of the Nintendo Group (Nintendo Co., Ltd. and its main subsidiaries). Any information not within this scope is explicitly identified as such. For the purposes of this report, the term “Nintendo” refers to the entire Nintendo Group. Nintendo Co., Ltd. is referred to by its complete name.

Reporting Period
This report mainly covers activities in fiscal year 2014 (from April 2014 through March 2015), in addition to some recent activities and some activities prior to fiscal year 2014.

Publication Date
Publication date of English report: July 2015
(The next English report will be published in July 2016)

Nintendo Overview
Company Name
Nintendo Co., Ltd.
Location
11-1 Hokotate-cho, Kamitoba, Minami-ku, Kyoto, Japan
Founded
September 1889
Incorporated
November 1947
Capital
10,065,400,000 yen
Sales
549,780,000,000 yen (fiscal year ended March 2015)
Number of Consolidated Employees
5,120 employees (as of the end of March 2015)
Business Description
Manufacture and sale of home leisure equipment

Digest Version (this report)
Detailed Version (website)
http://www.nintendo.co.jp/csr/en/
Nintendo has been delivering smiles to consumers through entertainment since its establishment. The existence or nonexistence of hit products causes inevitable fluctuations in the entertainment industry because entertainment is not a daily necessity. Consumers always are seeking new surprises, and they eventually will become tired of even a highly rated product. Precisely for this reason, we must avoid a short-term outlook and always think about how we can make not only consumers, but also everyone involved with Nintendo, smile over the mid-to-long term.

The key to achieving this goal is found in our three core values—originality, flexibility and sincerity—which we define as Nintendo DNA. Since all Nintendo employees fully share the Nintendo DNA and act based on these unwavering values, we have been able to continue taking on new challenges and providing value to society.

Nintendo has continued to offer entertainment products that can be enjoyed regardless of age or gender, and, as a result, I hope that as signs of trust in the Nintendo brand, people feel safe letting their children play with our products and know that these products always make their families smile.

As a new challenge, we released “amiibo,” a new product line that uses the IP characters that appear in our games. The year 2015 is the 30th anniversary of Super Mario Bros., and one of our goals for these characters, which are loved by so many people, is to take them beyond the game world through this new platform in the form of figures that are compatible with multiple games and create new play styles. We also hope they will bring smiles to the faces of consumers and connect them in a way that transcends the barriers of language and culture in the real world. amiibo has presented Nintendo with the opportunity to work with new production partners because it is our first full-fledged production of figures. For these partnerships, we first confirm that we share the goals of not only making high-quality products but also contributing to society and collaborating to make a better world through CSR procurement* efforts. In order to produce high-quality products, we believe it is imperative that we share an understanding with our partners of the kind of business relationship we would like to have, as well as the kinds of products we would like to create.

Our many IP assets, our strong relationships with our business partners, and our employees, are not items that appear on our financial statements. However, I firmly believe that these intangible assets are essential for Nintendo to continue to achieve sustainable growth and to enhance corporate value.

Nintendo is a company that has innovated flexibly throughout its history to provide a variety of entertainment offerings. However, I feel that having the video game business at our core for such a long time has caused many people to put up an imaginary wall that Nintendo is a company that should only make products related to video games. In order to overcome this belief, we revised our definition of entertainment as “improving people’s QOL (Quality of Life) in enjoyable ways.”

QOL refers to the quality of the content of each individual’s life and lifestyle from a social perspective. Our understanding of what it means to improve people’s QOL does not simply pertain to living a long life but that, through living life in your own way, you will find happiness. Many aspects of our lives require consistent effort and perseverance in order to improve QOL, but if we can leverage our know-how in continuous enjoyment that we have cultivated through video games, we can help people to improve their QOL without losing interest.

QOL includes many themes such as good physical health, healthy social relationships, fulfilling work, a comfortable living space, sufficient education, and leisure time. Nevertheless, the first theme we will focus on is health in terms of “sleep and fatigue.” While sleep and fatigue affect everyone throughout the world, many aspects have yet to be sufficiently clarified from a scientific perspective, so I think there is great significance in taking on this challenge. In addition, if we are able to make proposals incorporating systems that, for example, enable people to check the sleep conditions of parents who live far away and watch over them, this theme could provide something of great value to society.

Looking to the future, we hope to create value by making the impossible a reality with Nintendo products, and bringing smiles and surprises to everyone.

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* CSR Procurement
Our production partners are also required to be involved in CSR and to encourage the promotion of CSR activities throughout the entire supply chain.
Creating New Entertainment That Brings Smiles to People All Over the World

Since its establishment in 1889, Nintendo has continued to innovate itself in order to deliver smiles to generations. At Nintendo, our goal is to provide entertainment products and services that everyone can play easily with peace of mind, and enjoy with many other people. We will continue to seek out new potential for entertainment and put smiles on the faces of everyone Nintendo touches.

Birth of Nintendo - Aiming to be a World Leader in Entertainment

Founded as a manufacturer of Japanese playing cards, Hanafuda, in the Meiji era, Nintendo became the first manufacturer of western playing cards in Japan in 1902, and became the first company to succeed in mass-producing plastic playing cards in 1953. The company provided a variety of playing cards that everyone, including families, could play and enjoy together.

Seeking Unique Toys

The company started developing original products such as the Ultra Hand. In addition, in order to offer unique entertainment not offered by conventional toys, the company also incorporated electronic technology and launched a wide range of electronic toys.

Becoming a Video Game Company

Based on technologies the company developed for its electronic toys, it started developing and selling arcade video game machines. It created the arcade video game Donkey Kong with a storyline, which was unusual for games at that time. In 1980, the company developed and started selling its first handheld game device GAME & WATCH, which sold approx. 45 million units, and completed Nintendo’s conversion to a video game company.

Delivering Japanese Video Game Culture to the World

After the launch of the Family Computer home video game console known as Nintendo Entertainment System outside Japan in 1983, Nintendo integrated its hardware and software departments and began providing the world with new entertainment. The Super Mario Bros side-scrolling game was released in 1985, and sold approx. 40 million units globally as home video games spread around the world. Since 2004, Nintendo has focused on the basic strategy of expanding the gaming population by offering products which can be enjoyed by everyone regardless of age, gender or gaming experience.

Improving People’s QOL in Enjoyable Ways

Nintendo redefined entertainment as “improving people’s QOL (Quality of Life) in enjoyable ways,” and, now, in addition to our core video game platform business, we will expand our business with the QOL-improving platform. With the first theme set as “Health,” we intend to connect people and expand the fit population.
The three core values Nintendo has upheld since its establishment enable us to continue putting smiles on people’s faces by providing them with “fun-filled worlds” they never have experienced before.

Nintendo’s mission as an entertainment company is to make people happy and surprise them by achieving goals that seem impossible to the average person within a few years. Here are some of the core competencies that enable us to take on this challenge:

- **Originality**
  - Nintendo develops not only software but also the compatible hardware. This has enabled Nintendo to repeatedly offer new play styles and gaming experiences to society that are not constrained by existing frameworks.

- **Hardware-Software Integrated Development**

- **Hospitality**
  - Nintendo has created many characters over the past 30 years that are loved by generations all over the world.

- **Characters Loved by Generations**

- **Family Friendly Considerations**
  - Beyond complying with safety standards for consumer electronics, Nintendo considers toy safety standards while creating its products. We also offer software content that all family members can play together with peace of mind.

- **Trustworthy Partnerships**
  - Nintendo works with various business partners at each stage of development, production and distribution with whom we cultivate strong mutual trust and share the philosophy of delivering smiles to everyone we touch.

- **Flexibility**
  - The company cannot survive unless we respond dynamically to the constantly changing world. If the conditions and environment change, the optimal approach will change accordingly. We must respond flexibly to changes by thinking outside the box and not simply relying on common sense or what has worked in the past.

- **Sincerity**
  - Accumulating trust can create great change. We must never be conceited or forget to be humble, and always do our best. In order to develop, we try to learn from our experiences each day.

Nintendo works with its development partners to create original products and services that offer consumers new and surprising experiences that can be played for a long time.

**Planning & Development**
- Nintendo works with its development partners to create original products and services that offer consumers new and surprising experiences that can be played for a long time.

**Design**
- Ensuring the safety and reliability of the products and services we provide for children’s enjoyment is of paramount importance to Nintendo. We always consider a product’s safety as a toy, in addition to its safety as an electronic device.

**Procurement & Production**
- In order to provide high-quality products to consumers, we strive to build mutual trust with our production partners with whom we can share our production philosophy.

**Sales**
- We always consider the best and simplest way to convey our products’ appeal to consumers. We also consider the culture of each region when we culturally and localize our products and services.

**After-Sales Service**
- To ensure we provide friendly and prompt customer support, we have implemented a system to respond to consumer opinions.
Creating Smiles by Leveraging Our Strengths

We bring smiles to everyone Nintendo touches through never changing our core values and utilizing our strengths.

Flexibility to Continuously Change Nintendo Itself

Founded 126 years ago

September 2015 marks Nintendo’s 126th anniversary. In the entertainment industry, consumers grow tired of the same offerings, so we have had to innovate flexibly in line with the times.

Employee Diversity

Employees (consolidated): 5,120

We have 5,120 employees around the world who support Nintendo’s evolution. Each employee has a deep sense of accountability and considers what they can do from various perspectives to create fun, new experiences that bring smiles to everyone.

Characters Loved by Generations

Super Mario Bros. 30th anniversary

Nintendo characters are loved not only in Japan but also all over the world. The year 2015 marks the 30th anniversary of the Super Mario Bros. software released in September 1985. The popularity of the game’s characters transcends generations and they frequently appear in various places today.

Trustworthy Partnerships

Production Partners

Approx. 300 companies

In order to spread smiles around the world, cooperation among our development, production and retail partners is essential. Nintendo will continue to build mutual trust with each of them.

Realizing Originality Through Hardware-Software Integrated Development

Wii Global sales 115.2 million units

Launched in 2006, Wii is a home video game system that offers an innovative way to play games and incorporates intuitive controls achieved by shaking or turning the Wii Remote held in one hand. By offering software that can be enjoyed not only by the person playing the game but also those watching, we created living-room entertainment that transcends generations.

Wii U Global sales 9.54 million units

Wii U enables new ways of playing games using two screens, as the Wii U GamePad controller also has a screen. Users do not need a TV to play games, giving them the freedom to enjoy games in any position and place they choose. We also are offering a new way of playing through video game compatible amiibo figures.

Wii 3DS Global sales 52.06 million units

Nintendo 3DS has the same dual-screen and intuitive-operation features as Nintendo DS, but users also can enjoy playing games with stereoscopic 3D images. To fully utilize the dynamic capabilities of making characters seemingly jump out of the screen and creating a sense of depth, we released the 3D Pictorial Guide to Flora and Fauna and a 3D museum audio guide, further expanding the scope of video games.

Nintendo DS Global sales 154.01 million units

Nintendo DS, launched in 2004, is a dual-screen handheld videogame system that can be used with a stylus and its intuitive method of operation was well received by people of all ages. Utilizing the system’s features, we have been able to offer a new software category that enables people to enjoy playing games while also training their brains and learning how to draw.

Global sales figures are accurate as of March 31, 2015.

* Figures are accurate as of March 31, 2015.
Since we launched Family Computer in 1983, Nintendo has produced a variety of iconic characters, such as Mario and Donkey Kong, which are loved by people around the world regardless of their generation. In November 2014, we utilized this rich lineup of Nintendo characters and launched the “amiibo” series of character figures that can connect with our games.

At Nintendo, we have flexibly changed with the times, transforming from a card game company to a toy and electronic toy company, and then to a video game company. However, as a company that provides entertainment, one thing has never changed and that is that we always have cherished spreading the “ring of smiles” on the faces of people around the world through Nintendo products.

To achieve this goal, we continuously have created opportunities for conversations that connect people to others and entertainment that many people can share while enjoying time and space together.

In 2014, we launched amiibo to create a new “connection” with the goal of spreading smiles. Before, these characters never left the world of video games, but now they have launched into the real world.

New Connections That Spread Smiles

At Nintendo, we have flexibly changed with the times, transforming from a card game company to a toy and electronic toy company, and then to a video game company. However, as a company that provides entertainment, one thing has never changed and that is that we always have cherished spreading the “ring of smiles” on the faces of people around the world through Nintendo products.

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Even When the Game is Turned off

When the video game system’s power is turned off, the game world disappears and the magical place that puts smiles on consumers’ faces, and that they can share with others, fades. However, by placing amiibo near the system, consumers can feel the game world at any time, even when the system is turned off.

Nintendo’s characters have been loved for many generations, so it is not just children who have fond memories of them but moms and dads as well. Placing amiibo in the living room can open up a conversation between parents and children such as “I used to play with this character when I was a child.” And the ring of smiles will continue to spread even for people who no longer play games if the characters can create communication for them with others. We aim to achieve this kind of connection with amiibo.

Proposing New Ways of Playing Games That Only Nintendo can Create

amiibo is a series of figures that connects to the game world. Because it has a built-in Near Field Communication (NFC) feature, when an amiibo figure is tapped on the NFC touchpoint, the amiibo figure can read or write game-specific information. The game system detects which amiibo has been tapped and, as a result, that figure’s character appears in the game and generates a variety of experiences. Each gameplay experience is then stored in amiibo, enabling the user to create and develop an amiibo figure that will be the only one of its kind in the world.

In Super Smash Bros. for Nintendo 3DS/Wii U, for example, when a compatible amiibo figure is tapped on the NFC touchpoint, its character will appear as a “figure player” in the game. Players can enjoy the game with their figure player, having it fight by itself, as a rival or as a partner. In Mario Kart 8, by tapping a compatible amiibo on the NFC touchpoint, players can obtain an original Mi racing suit, designed according to the motif of each character, and enjoy the game in their favorite suit. The connection between amiibo and the game offers a new way of playing games with special value in the game world. Only Nintendo can offer this product proposal because we are creating games from the perspective of both hardware and software.

* The compatible hardware models are Wii U and New Nintendo 3DS/New Nintendo 3DS XL (as of March 31, 2015).
* In addition to figures, we are planning to launch card-type and yarn-type amiibo.
A New Connection Born From amiibo

Yoichi Yamamoto  
Software Planning & Development Department  
Nintendo Co., Ltd.

Yo Onishi  
Character Design Group  
Software Planning & Development Department  
Nintendo Co., Ltd.

What Kind of Character Products Should Nintendo Launch First?

“amiibo” proposes new gameplay that connects the game world with the real world. Two developers share their thoughts about amiibo.

Creating a new platform with a collection of figures — Just the thought of it made me excited!

Tell us about the development background for these amiibo figures that connect with games.

Yamamoto  
Nintendo has cared about “connections” between people from the start. We have been pursuing the potential of new entertainment while focusing on making people smile. However, when the game system’s power is turned off, the game world disappears. We had been thinking about whether there was another way to somehow connect the game world with the real world.

Onishi  
In addition to the things you can do with the main part of the game, we had been searching for a possible way to connect with our consumers by using items that exist outside of the game.

Yamamoto  
We thought that it made sense for Nintendo to create character merchandise because it would create a means for consumers to connect to our games in the real world by creating physical items for consumers to touch and feel the appeal of the game world all the time. Based on this idea, the project members and other stakeholders spent time on the overall concept of amiibo, discussing such things as which characters Nintendo should introduce to the world or what kind of approach we should take.

What were your initial thoughts about creating amiibo, Nintendo’s first character products?

Onishi  
We initially considered things such as the basis of each character’s appeal, how we could bring out that appeal and which pose each character should strike to maximize that appeal. I used to be involved in supervising the process for other companies to use Nintendo characters but, in a complete turnaround, we are now in a position to create 3D figures ourselves. We closely examined each character’s image and how we could adequately convey this image to consumers.

Yamamoto  
amiibo also includes characters from other game developers, and since we are now in a position to borrow their precious assets, we wanted to respect the game developers in order to directly discuss and get a good understanding of which elements of the characters were important to them. By asking the developers their thoughts directly, our respect for the characters naturally increased. The more visits we made, the stronger we felt that we needed to get to know each character.

Onishi  
We felt that it was important to make sure that each character is loved equally beyond just their appearance and that, when consumers held them in their hands, they would really feel that it is the character they always had cherished. We paid particular attention to these aspects and went through a lot of debate and, as a result, this process ended up taking the most time.

Tell us about your expectations for amiibo.

Onishi  
We want consumers to hold the characters in their hands in the real world and for these precious characters to remain in their memories forever. We hope that they cherish each one of these one-of-a-kind characters for a long time.

We also would like amiibo to provide an opportunity for those who don’t normally play games to become acquainted with them. We want amiibo to act as a bridge that connects games and consumers so that consumers who are not necessarily interested in games are curious about the figures and pick them up when they are in the game corner of a retail store.

Yamamoto  
I don’t think the existing amiibo have completely created the world we aspire to build. Therefore, to ensure that amiibo is never just a figure, we would like to connect it with other entertainment Nintendo produces in the future. We will make improvements on amiibo and continue to evolve it in a way that expands the ring of communication between people, both inside and outside the game world.
Design

02

Persistent Efforts to Achieve Nintendo Quality

Because “amiibo” was a new challenge for Nintendo in the unknown field of figures, we needed completely different knowledge than in the past. In this section, we discuss “Nintendo Quality” with one of the development staff, using amiibo as an example.

No one actually says it, but we always dare to take the challenging route — it’s a Nintendo tradition!

What kind of principles did you consider to achieve amiibo quality and reliability standards?

amiibo was a cross-functional project involving departments such as sales and marketing, software development, hardware development and manufacturing. We performed a range of tasks in the project, from character supervision, setting the design criteria to ensure quality and reliability, making sample prototypes called “masters,” to verifying whether they meet safety standards. The people selected from each department came together to work as one on amiibo production. We were aiming to achieve something we always have to make the mold, and do everything by hand instead. For amiibo, we started by creating a master.

What challenges did you face while you were developing amiibo?

Nintendo has developed a variety of game systems such as Wii U and Nintendo 3DS. However, amiibo development was extremely challenging because we couldn’t use our existing knowledge at all and had to proceed through everything by trial and error. For example, when we make a game system, we usually make a mold of each part by cutting the metal directly from 3D data using a drill or some other tool. For a figure, however, you use almost no machinery at all to make the mold, and do everything by hand instead. For amiibo, we started by creating a master. We then took this master apart to consider how to make the mold, and do everything by hand instead. For amiibo, we started by creating a master.

Masaki Amano
Mechanical Engineering
Group No. 2
Product Development Department
Nintendo Co., Ltd.

He is in the group responsible for hardware system design and has worked on Nintendo DSi, Nintendo DSi XL, and New Nintendo 3DS.

What aspects were particularly challenging?

We want consumers to have amiibo with them all the time, instead of just using it as an ornament. So, we needed to ensure that the figures were safe and reliable enough to handle such use. The finished parts are painted one by one and then glued together, however, we had a hard time ensuring reliability, because the more parts a figure has, the weaker it will be.

We checked durability in various tests, such as pulling, dropping, twisting, etc., but because amiibo was the first figure production for Nintendo, we had to start by deciding what constituted a passing grade. We first checked the safety standards and laws of each country, and then decided the level of testing necessary to pass all of the standards.

Each part of the master and then coating it with silicon. Finally, after repeatedly duplicating the mold with heavier substances, we used iron to create a metal mold. Although we could not apply our existing knowledge or experiences, we learned along the way as we pursued absolute quality.

Once we had determined the standards, we designed the figures to meet them. But to meet the standards and ensure the figures had sufficient strength, we had to adjust certain parts of the actual character images to make them thicker or wider, all while being sure not to change the overall original appearances. We also rounded the pointed parts for safety purposes.

There are a total of 35 amiibo characters (as of March 31, 2015). Because each character has a different shape, different methods and criteria are used for testing. Various tests are performed for each and every character in a specialized internal department at Nintendo.

Tell us your thoughts on Nintendo Quality.

At Nintendo, we never fail to picture consumers’ smiles while developing products. As a result, I think that when people hear about a Nintendo product, they automatically imagine it as a brand that families and children can use with peace of mind. Although no one ever mentioned it, I think the people who worked on this project all were conscious of protecting this aspect of the Nintendo brand. Nintendo Quality was crafted based on this philosophy. I will continue to ensure that we aim for the Nintendo Quality that ensures consumers smile.

What do you think about the amiibo Safety & Reliability Testing?

amiibo characters come in various shapes, and therefore require testing according to each of those shapes. We also ensure the safety and reliability of amiibo so that children can play with them safely. Here are a few of the tests we conduct:

- Checks whether pointed parts are dangerous
- Checks whether parts can be pulled apart easily and, if so, whether they break off safely
- Checks whether parts easily break when twisted and, if so, whether they break off safely
Creating New Value With Production Partners

Nintendo employs a fabless production model, meaning we do not own the facilities that manufacture our products. We work with production partners to enhance the quality and safety of our products, and aim for production efficiency. In this section, we introduce how “amiibo” was created with our new production partners.

How did you choose the production partners to outsource production of amiibo?

Although we already had relationships with the manufacturers entrusted to make amiibo, the actual factories that produce amiibo are new business partners for Nintendo. The Procurement Department that I belong to played a central role in the selection of partners who could achieve “Nintendo Quality” in regard to the quality and safety of amiibo. In addition, part of the selection criteria emphasized that they not only ensure quality and safety, but they also understand Nintendo’s CSR procurement efforts and would promote these efforts inside their organizations. Their operational status was reviewed according to the Nintendo CSR Procurement Guidelines, which contains specific requirements that Nintendo asks production partners to comply with, and requests for improvement were made in necessary areas.

What do you value in relationships with new production partners?

amiibo is our first experience creating figures, which means it is also the first time that these production partners have worked with Nintendo. We have had relationships of more than ten years with many of the production partners who manufacture our game systems and hence have had time to build our relationships with them. However, we had to build relationships from scratch with these new production partners. Therefore, we were conscious of building strong mutual trust by helping them understand who we are as a company and what our values are in regard to making high-quality products.

Because Nintendo is a fabless company, we are limited in what we can do by ourselves. We want production partners to be glad they decided to work with us and, as a result, help us to deliver high-quality products that make consumers happy and spread the ring of smiles. In this respect, building long-term relationships based on mutual trust with our production partners is indispensable to making good products.

How do you feel about your involvement in the production of this brand-new product called amiibo?

Not only internal stakeholders, but also our production partners worked together as a united group as we developed various methods by trial and error. Personally, this largely new experience of transforming things that used to exist only in a virtual game world into tangible objects helped me to grow, and I think that our production partners feel the same way. amiibo is the result of the aspirations of everyone involved in the entire process. I really hope that when consumers use amiibo, they will love it for many years to come.

Our partners are essential in delivering smiles to our consumers. I always am conscious of making sure everyone involved feels glad that they work with Nintendo.

Nintendo’s CSR Procurement

To ensure that we achieve our corporate social responsibility throughout the supply chain, we developed the Nintendo CSR Procurement Guidelines and expect all of our production partners to comply with them.

CSR Procurement Process

1. Establish Guidelines & Share With Production Partners
2. Confirmation by Survey
3. Site Visits to Understand Current Status
4. Follow Up

Nintendo CSR Procurement Guidelines (Sections)

1. Promoting Respect for and Compliance with Human Rights
2. Ensuring Occupational Health and Safety
3. Practicing Corporate Ethics and Fair Trade
4. Maintaining the Global Environment
5. Product Safety Guarantee and Quality Assurance
6. Complete Information Management
7. Establishing Crisis Management Systems
8. Contributing to the Community

* For the full Nintendo CSR Procurement Guidelines, please refer to the detailed version of the CSR Report 2015.
Making Stores More Lively With amiibo

With Nintendo characters entering real-world retail stores in the form of “amiibo,” it could change how consumers choose a product and make retail stores even more fun to visit. A design staff member discusses how he wanted Nintendo products to connect with consumers when they see them in retail stores for the first time.

I wanted consumers to get more excited about the characters lined up on store shelves, and I thought that it would be possible with amiibo!

Norio Asakura
Character Design Group
Software Planning & Development Department
Nintendo Co., Ltd.

He is in the group that creates and manages the official illustrations and 3D models of Nintendo characters, and has been involved in amiibo design and branding, and the use of character IP.