



CSR REPORT 2019



We Will Continue Working to Create New Surprises, Putting Smiles on the Faces of Everyone Nintendo Touches



Nintendo's fundamental strategy is to expand the number of people who have access to Nintendo IP. We want more people to have access to the characters and worlds from games created by Nintendo, and thereby aim to raise the corporate value of our business.

As an entertainment company, we believe that spreading smiles among society through our products and services is an essential part of our social responsibility, so "Putting Smiles on the Faces of Everyone Nintendo Touches" is our corporate social responsibility (CSR) policy. Based on this policy, we have reviewed the CSR priority areas we established in 2015 and set three CSR priorities: to put smiles on the faces of our consumers, to put smiles on the faces of our supply chain, and to put smiles on the faces of our employees.

In recent years, movement has been accelerating toward the creation of a sustainable society, through efforts like ESG investment and SDGs. Taking these social considerations into account, we want to keep developing initiatives that utilize the unique characteristics of Nintendo products and business activities so that we can remain a company creating entertainment that puts smiles on everyone's faces.

We will continue working to create new surprises in the future, putting smiles on the faces of everyone Nintendo touches.

Nintendo Co., Ltd.
Representative Director and President

CSR REPORT 2019

This report is a digest version, setting out the key CSR activities Nintendo has been working on. Please refer to the Nintendo Co., Ltd. website for more detailed information about our CSR activities. We welcome your opinions and comments about this CSR Report 2019 on our website.

Company Name

Nintendo Co., Ltd.

Reporting Scope

The scope of this report covers the activities and data of the Nintendo Group (Nintendo Co., Ltd. and its major subsidiaries). To the extent that the scope for any information in this report differs, it 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 is focused on activities occurring in fiscal year 2018 (from April 2018 through March 2019), but includes some recent activities and some prior to fiscal year 2018.

Publication Dates

July 2019

(Next report: July 2020 Prior report: July 2018)



Detailed Version (website)

www.nintendo.co.jp/csr/en

Nintendo Group Business Overview

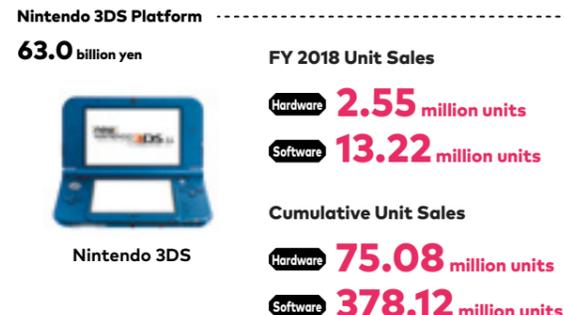
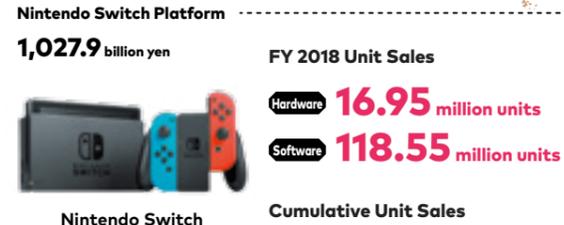
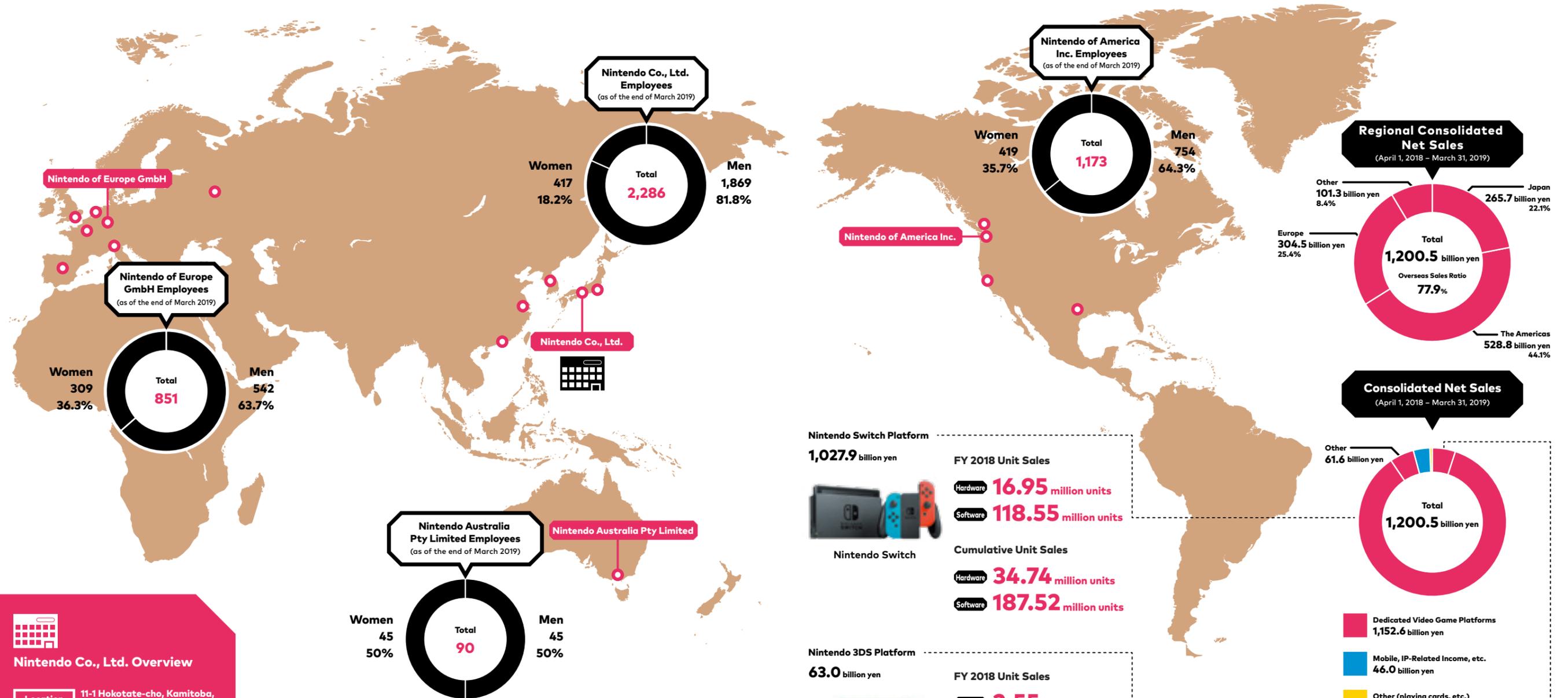
We, at the various locations of the globally operating Nintendo Group, deliver smiles to our stakeholders on a daily basis.

24
Subsidiaries
(consolidated)

5,944
Employees
(consolidated)

*as of the end of March 2019

○ Important locations of the Nintendo Group



Nintendo Co., Ltd. Overview

- Location** 11-1 Hokotate-cho, Kamitoba, Minami-ku, Kyoto, Japan
- Founded** September 1889
- Incorporated** November 1947
- Capital** 10,065 million yen



Corporate Social Responsibility Management

As Nintendo's business activities affect society in many ways, our corporate social responsibility activities have been based on the mid-term plan for CSR promotion since fiscal year 2015, aiming to respond to both internal and external expectations and demands.

Mid-Term Plan for CSR Promotion

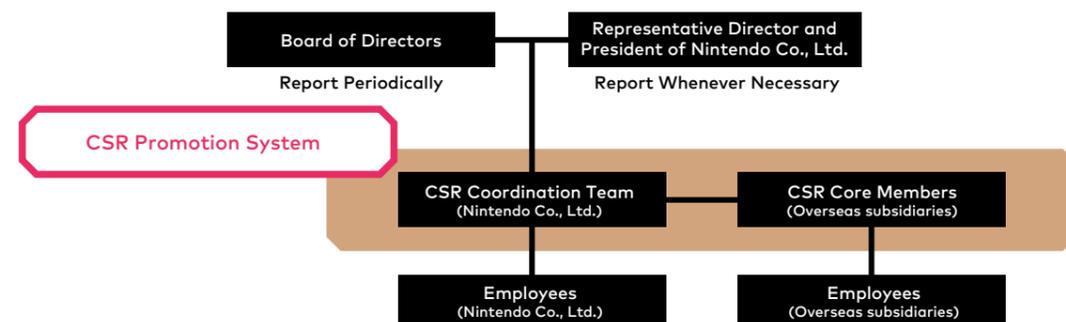
In addition to identifying our CSR goals, Nintendo establishes targets that serve as guideposts. We believe our ability to make steady progress toward those goals and targets is important, so we formulated our mid-term plan for CSR promotion in 2015 to set mid-term objectives for our CSR activities. This fiscal year 2018 marks the transition to Phase 2 of our plan, so we have decided to establish new CSR priorities based on social demands, the unique attributes of our business, and opinions from both inside and outside of the company.



Nintendo's System for CSR Promotion

Nintendo Co., Ltd. sees the promotion of CSR as not just the responsibility of a single department. Rather, it is something that must be promoted through the work of all departments involved. To that end, we established a CSR Promotion Project Team in 2007 to coordinate and support CSR activities.

To ensure that CSR activities proceed at the global level, there are CSR promotion teams and CSR promotion leads within our major subsidiaries. Information on activities across the world is shared within the group, and there is a system for reporting to Nintendo Co., Ltd. executives when the need arises.



Process for Improving Priority Areas

In Phase 1 of our mid-term plan for CSR promotion (from FY 2015 through FY 2017), we worked to establish four priority areas: "Pursuing the New Potential of Video Games," "Advancing CSR Procurement with Our Production Partners," "Promoting a Diverse Work Environment," and "CSR Management." Under Phase 2 beginning in FY 2018, we have aimed to continue improving our CSR initiatives, reviewing and separating them into three new areas using the process described below.



Identify CSR Issues

To identify issues that Nintendo should tackle, we created a survey referencing various international criteria such as the GRI Standards*, then conducted the survey both inside and outside the company.

*The GRI Standards are international guidelines for corporate sustainability reporting



Designate CSR Priority Areas

Priority was assigned to each of the issues based on both their impact on stakeholders and their impact on our business. Outside experts were also consulted while CSR priority areas were being designated.



Determine CSR Priority Areas

Specific CSR priority areas were agreed on by each country's CSR leaders at the global CSR meeting and approved by the president.

Global CSR Meeting

In November 2018, the leaders and representatives for CSR in each country met at Nintendo of Europe (Germany). There, they verified the suitability of the CSR priority candidates and agreed on them. They also discussed and shared their viewpoints on what kinds of activities they should promote to accomplish these priorities.



Nintendo's Three Priority Areas

We established three new priority areas: to put smiles on the faces of our consumers, to put smiles on the faces of our supply chain, and to put smiles on the faces of our employees, as well as topics we will focus on for each.

1



Putting Smiles on the Faces of Our Consumers



The entertainment offered by Nintendo is not a daily necessity. In order for consumers to engage with our offerings, it is important for us to deliver products and services that surprise and excite them.

- Putting smiles on people's faces through entertainment
- Fostering the future generation
- Product quality and safety
- Consumer privacy

P13-14

2



Putting Smiles on the Faces of Our Supply Chain



Promoting CSR activities throughout our supply chain is not only a way for Nintendo to improve working conditions for those employed at our production sites. It also leads to a higher quality of production and, ultimately, more smiles on our consumers' faces. We are continuing to work together with our production partners, focusing on communication and mutual understanding.

- Optimizing labor practices
- Supporting responsible sourcing of minerals

P15-16

3



Putting Smiles on the Faces of Our Employees



Nintendo employs people with a wide variety of unique characteristics who work to put smiles on the faces of everyone we interact with. Creating a positive working environment for our employees is a source for Nintendo's competitive edge. In addition, it is critical that we, as a global entity, establish an appropriate recognition of human rights issues.

- Diversity, equal opportunity, and work-life balance
- A safe and healthy environment
- Training and career development

P17-18



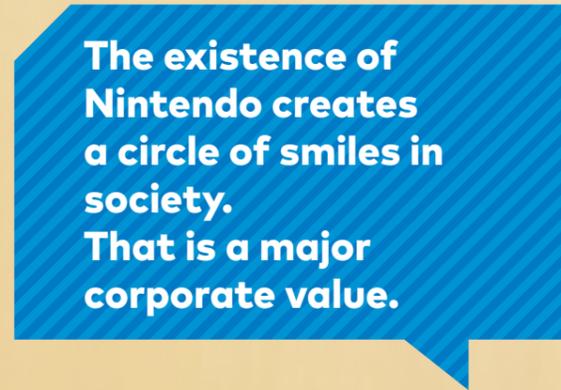
The continued efforts of each and every employee will bring smiles to all stakeholders who come into contact with Nintendo.

Nintendo Co., Ltd.
Representative Director and President

Shuntaro Furukawa

PROFILE

Mr. Furukawa joined Nintendo in 1994. After being appointed as General Manager of the Corporate Planning Department in 2015 and then Director and Managing Executive Officer in 2016, he was appointed to his current position in June 2018.



The existence of Nintendo creates a circle of smiles in society. That is a major corporate value.

Lloyd's Register Japan K.K.
Director

Hidemi Tomita

PROFILE

After graduating from the University of Tokyo School of Engineering's Department of Applied Physics, Mr. Tomita received a Master of Science in Chemical Engineering from Princeton University. He served as General Manager of the CSR department at Sony Corporation for roughly 10 years, from its establishment in 2003. Mr. Tomita joined Lloyd's Register Quality Assurance Limited in 2013, and has held his current position since 2016. He has participated in a variety of government committees, including the Sustainable Sourcing Working Group for the Tokyo Organising Committee of the Olympic and Paralympic Games and in the formulation of international standards such as ISO26000 and ISO20400.



"Putting Smiles on the Faces of Everyone Nintendo Touches": The Idea Behind the Words

What is Nintendo's Corporate Social Responsibility, and where does it come from? This is a discussion between Hidemi Tomita, who has an extensive knowledge of CSR and is the Director of Lloyd's Register Japan, and Shuntaro Furukawa, who is the Representative Director and President of Nintendo Co., Ltd.

Creating More Smiles: What is Nintendo's Corporate Social Responsibility?

Tomita: President Furukawa, you were appointed Representative Director and President in June 2018. How did you feel when you were nominated, and what kinds of things were you trying to keep in mind?

Furukawa: It was very sudden, so frankly speaking, I was surprised. At the same time, I felt a strong sense of responsibility. However, and I mean this in a good way, what I'm trying to keep in mind is not to change much from before I took my current position. In steering the business, I believe that it's critical to ascertain which makes more sense for Nintendo: For me to lead directly, or to entrust certain things to other leaders while working closely with them.

Tomita: What do you think Nintendo's strengths are?

Furukawa: Nintendo is a company that aims to provide unique entertainment and fun to consumers around the world. I think the clarity of our goal is one of Nintendo's strengths.



Tomita: So while many companies are diversifying their business, Nintendo's business is very straightforward, as the company specializes in entertainment. What are your thoughts on CSR?

Furukawa: Our basic CSR policy is to put smiles on the faces of everyone Nintendo touches. For us, as a company in the business of entertainment, making consumers smile is more important than anything else. To that end, I believe it's essential to make every stakeholder, including everyone in our supply chain and all our employees, smile. I believe that this leads to providing products to consumers that bring them smiles, and their smiles become the driving force for us to create new surprises, creating a circle of smiles.

Tomita: The existence of Nintendo creates a circle of smiles in society. That is a major corporate value, and you could also say a contribution to society. Incidentally, what makes you smile, President Furukawa?



Furukawa: I was working in Germany for a long time, and I saw many consumers getting our products (like the Nintendo DS and Wii) around Christmas. Even in winter when it was overcast and cold, I remember feeling very proud as a Nintendo employee. Seeing consumers enjoying Nintendo products still brings a smile to my face.

The Fundamental Pursuit of New Entertainment Potential to Put Smiles on the Faces of Consumers

Tomita: At the end of 2018, Nintendo redefined its CSR objectives into three priority areas: consumer smiles, supply chain smiles, and employee smiles. To begin, I'd like to ask about the first one, consumer smiles. What do you think is important for making consumers smile?

Furukawa: At Nintendo, we value providing consumers around the world with interesting and fun experiences unlike any they've had before, as well as the belief that the true value of entertainment lies in its uniqueness. We deliver high-quality and safe products, and we want our consumers to smile, whether they are having fun enjoying them together or playing with them quietly on their own.

Nintendo taken toward balancing its company activities and individual rights?

Furukawa: We intend to closely follow the movement within each country and respond in an appropriate way to the current state of consumer requests. For example, our devices can be easily connected to the Internet. If the consumer is a child, not only is product quality critical, but we must also consider parents and other people in the child's life, while remaining aware of how the child interacts with the games. One example of this is Nintendo Switch Parental Controls, a free app that easily allows parents and guardians to monitor and control the gameplay status of their children using a smart device linked with the Nintendo Switch. I believe that we're able to make consumers smile not only because they enjoy our games, but because consideration for the relationship between parents and children, as well as privacy, is part of our guiding principles.

Toward Reducing Human Rights Risks to Put Smiles on the Faces of the Supply Chain

Tomita: Human rights and labor issues at manufacturing sites within supply chains around the world are drawing attention. What approach is Nintendo taking to deal with these issues?

Furukawa: Nintendo is a "fables" company (one without its own factories). We aim for strong communication with all our production partners and emphasize the importance of them understanding our way of thinking. I believe that this is connected to us producing high-quality, reliable products, which in turn leads to more smiles from our consumers.

Tomita: It seems that you're aiming for long-term relationships with your production partners.

Furukawa: The entertainment business is known for having good times and bad times. During periods of strong sales, our communication with production partners tends to go smoothly. However, when things get rough in our business, it's essential to help each other. It's important to build a positive, cooperative relationship over a long period of time, while ensuring our partners understand the essential parts of our business.

Tomita: Laws and regulations related to human rights are spreading rapidly around the world, such as the UK Modern Slavery Act enacted in 2015. Nintendo established its own global human rights policy in 2018 as well, right?

Furukawa: It goes without saying that it's necessary to work on reducing the risk of human rights problems. We have consumers around the world, so we aim to proactively address this problem in a uniform manner globally, while keeping our eyes on the situation not only in Japan, but in countries worldwide. Even in the supply chain, Nintendo employees not only go directly to production partners to conduct thorough on-site checks, but we also carry out investigations through specialized external organizations to ensure objectivity.

Promoting the Understanding of Diversity to Put Smiles on the Faces of Employees

Tomita: From the perspective of bringing smiles to all of your employees, what efforts do you think are necessary?

Furukawa: To support "Putting Smiles on the Faces of Everyone Nintendo Touches" as CSR policy and in making products to meet our social responsibility as a company, making employees smile is crucial. Above all else, an understanding of diversity is essential in making employees around the world smile. We hold global meetings with members including executives of overseas groups and candidly exchange ideas, conduct surveys, and proactively create opportunities to gather opinions.

Tomita: What do you expect of people who work in the Nintendo Group?

Furukawa: We want them to be deeply aware that the job of each and every employee is connected to the smiles of consumers around the world. Nintendo's strengths are that as a group, we have continued to focus on surprising consumers in positive ways and creating entertainment that makes them smile. I'd like for us to continue doing this in the future. I believe that the continued efforts of all our employees to make consumers smile will result in every stakeholder who comes into contact with Nintendo smiling.

Resolving Social Issues and Steadily Implementing CSR Unique to Nintendo

Tomita: In recent years, the limelight has been on ESG investments (note 1) and SDGs (sustainable development goals) (note 2). What are your thoughts on such social concerns?

Furukawa: I understand that discussions are moving significantly towards realizing a sustainable society. In discussions with investors, we've received reports that interest in ESGs in particular is rising. On the environmental side, Nintendo is contributing to the reduction of waste generation through efforts like encouraging digital sales of game software. On the social side, we're striving to promote communication among family and friends through products that everyone can have fun playing together, like Nintendo Switch. In terms of governance, one-third of our board is made up of directors from outside of the company, as well as experienced and talented individuals from many diverse backgrounds, in order to incorporate outside viewpoints in passing down fair decisions.

Tomita: In closing, please tell me about Nintendo's future aspirations.

Furukawa: In recent years, the spread of gaming devices (including smart devices) has increased greatly, and the size of the gaming community has grown around the



Tomita: I heard that in the summer of 2019, there will be a booth with Nintendo Labo at KidZania in Japan. Isn't Nintendo beginning a lot of initiatives like this that incorporate games?

Furukawa: Nintendo Labo was developed as a new way to play. It is based on the concepts of Make, Play, and Discover, and you play it on Nintendo Switch by combining the cardboard pieces. In addition to the global appreciation from consumers, this characteristic has led to it being used for education. If we continue to see consumers who want to make use of Nintendo's entertainment products in new ways, we also would like to increase those opportunities.

Tomita: The GDPR (EU General Data Protection Regulation), a set of rules regarding the protection of personal information in relation to consumers, was enacted in Europe in May 2018. What attitude has



world. We believe our mission, moving forward, is to provide unique Nintendo entertainment to this expanded gaming population regardless of age, gender, and past gaming experience. We want a wide range of people to enjoy our products and services, and I believe that is a challenge worth taking on.

Spreading a circle of smiles in society, through Nintendo products and services: I believe that this is connected to our contributions to social issues and meeting the expectations of everyone in society.

Note 1: ESG investments
An investment method that puts emphasis on business practices that take into account environmental, social, and governance factors.

Note 2: SDGs (sustainable development goals)
A set of global goals for the year 2030, adopted at the September 2015 UN summit.



CSR Priority Area Putting Smiles on the Faces of Our Consumers

Smiles Created by Nintendo Labo

Released in 2018, Nintendo Labo lets players combine specially-designed cardboard, Nintendo Switch, and Nintendo Labo software together to transform their Joy-Con* into various new "Toy-Con" controllers, such as a robot, a piano, a fishing rod, or an RC car.

Players can experience the joy of Making by assembling the cardboard structures themselves while viewing animated assembly instructions displayed on the touch screen of Nintendo Switch. In addition, by Playing with their creations, consumers can Discover the mechanisms behind what they have built, allowing them to invent even more new ways to play. With the wide range of ways Nintendo Labo can be used depending on the consumer, it has been put to good use in many regions since its release.

* Joy-Con
Joy-Con are Nintendo Switch's pair of left and right controllers. They can be used as a single controller, independently as two separate controllers, or attached to the console to match the system's three play modes. Joy-Con also come equipped with HD Rumble, a Motion IR Camera, accelerometers, and gyroscopes, so that when they are combined with Nintendo Labo, players can discover completely new ways to play.



Programming Workshops for Elementary School Students



Since summer 2018, Nintendo Co., Ltd. has worked with a partner company to include activities using Nintendo Labo in programming workshops for elementary school students. Through this initiative, children discover the workings of Nintendo Labo while trying out different motions and thinking them over, and they think about new ways of playing based on the mechanisms that they discover. More than 750 elementary school students participated.



Cooperative Projects with Elementary Schools and Museums



In September 2018, Nintendo of Europe (Italy) introduced Nintendo Labo as an after-school extracurricular activity in a magazine that is distributed to approximately 13,000 elementary school teachers across Italy. The article explains that in classrooms at participating schools signed up through the publication's official website, children are able to have fun using loaned Nintendo Switch and Nintendo Labo to experience the ideas of Make, Play, and Discover as one of various after-school activities. NOE is also collaborating with leading museums across Italy to hold workshops using Nintendo Labo, in which nearly 10,000 children have already participated.



Workshop at KidZania



Nintendo of Europe (UK) has been offering a workshop for visitors at KidZania, a theme park in London that gives children ages 4 to 14 the opportunity to try out different occupations. Using Nintendo Labo, children visiting the workshop make an RC car themselves and play with various Toy-Con like the robot, the fishing rod, and the piano to gain an understanding of their mechanisms. Since its opening in the summer of 2018, many children have taken part.

Sharing Guidelines with Production Partners



To more reliably fulfill our social responsibility throughout our production supply chain, Nintendo established the Nintendo CSR Procurement Guidelines in 2011 and distributes it to all our production partners.

In 2018, in consultation with external specialists, we adopted the Responsible Business Alliance (RBA)* standard and revised the guidelines to be more comprehensive. We will continue to make sure that all items listed in the Nintendo CSR Procurement Guidelines permeate our entire supply chain.



* RBA (Responsible Business Alliance)
An organization that promotes the creation of a safe working environment, treatment of workers with respect and dignity, and sustainability improvements in the electronics industry.

Understanding the Status of CSR Through Written Surveys



To understand the status of CSR promotion at our production partners, Nintendo requires all first-tier suppliers to submit a written report once per year, along with a report of their financial conditions.

Additionally, to understand the status of CSR promotion at factories for our first-tier suppliers, we require that they send us written reports on the actual conditions at each factory. This year, we added specific questions to more accurately understand any potential risks.

Based on the written responses, we consider annually whether we should visit sites in person for confirmation.



Understanding the Conditions Through On-Site Visits



Since 2008, Nintendo representatives have continued to visit, in person, the factories of our production partners, which we select after considering their written survey responses, importance to business, and changes in conditions. In addition to Nintendo representatives conducting on-site inspections, we also conduct third-party audits, focusing on further improving the reliability of CSR procurement.

These on-site visits are conducted not only in major production areas like China, but also at various sites in Southeast Asia. We endeavor to understand the actual conditions at production sites while being mindful of the laws of each region and the approach of each factory. Deepening our suppliers' and their factories' understanding of Nintendo's CSR procurement leads to a rise in awareness of CSR and voluntary self-improvements. We believe that mutual communication is very important for creating a good production environment.



Ongoing Improvement



In line with revisions to the Nintendo CSR Procurement Guidelines, we have also reviewed our criteria for following up on risks identified through written surveys and on-site visits.

We believe that it is important for our suppliers to renew their understanding of Nintendo's approach to CSR through follow-up activities. Moreover, we believe that having our suppliers thinking about CSR and making improvements themselves is essential for bringing smiles to our supply chain.

S

miles Created by Communication and Mutual Understanding

CSR Priority Area Putting Smiles on the Faces of Our Supply Chain

Promoting CSR activities throughout our supply chain is a way for Nintendo to stimulate CSR activities at our suppliers and production sites, which leads to improvements in operational stability and working conditions and brings smiles to our supply chain. We believe this will increase the retention and productivity of our workers, leading to the production and sale of high-quality, appealing products, which puts smiles on the faces of everyone Nintendo interacts with, including our consumers.

We will continue to work together closely with our production partners to promote CSR activities, focusing on close communication and mutual understanding.





CSR Priority Area Putting Smiles on the Faces of Our Employees

S

miles Created by a Work Environment that Everyone Can Make the Most Of

Nintendo brings together employees with a wide range of characteristics. All of us work together to make those we interact with smile. Having a working environment that empowers our employees is a source for Nintendo's competitive edge. In addition, it is essential that we, as a global organization, foster within our employees an appropriate awareness of human rights.

Understanding of and Respect for a Diverse Workforce

As our consumers' interests and preferences continue to diversify in the world of entertainment, leveraging a diverse workforce is crucial to raising the collective strength of the company. Nintendo Co., Ltd. recognizes the importance of employing individuals with a wide array of abilities going forward, and we respect and aim to make full use of each employee's multifaceted talents and strengths. In the 2018 fiscal year, we established the Nintendo Human Rights Policy, which summarizes the awareness of human rights we expect our employees at Nintendo to have. This policy has been incorporated into each country's Code of Conduct, and we are making it known to our employees.

Outline of the Nintendo Human Rights Policy

- Declaration of our support for and activities regarding the respect of human rights as outlined in the United Nations International Bill of Human Rights and Guiding Principles on Business and Human Rights, as well as the International Labour Organization (ILO) Declaration on Fundamental Principles and Rights at Work
- Mechanisms for responding to inquiries regarding human rights
- Implementation of suitable human rights education for everyone employed by Nintendo
- Compliance with all laws and regulations in the countries and regions where we conduct business, while also respecting international human rights standards to the maximum extent possible
- Communication and consultation with stakeholders, as well as periodic reports on human rights activities



Employee Resource Group Activities

At Nintendo of America, we have several voluntary peer-led Employee Resource Groups (ERGs) to help improve our company's future. The ERGs are initiatives to encourage mutual understanding among our employees based on their shared backgrounds, experiences and interests, increasing their motivation and enabling them to work comfortably. Through our ERGs, employees experience a stronger sense of unity. These workplace communities also help them develop valuable business skills and enable personal growth through newly-created human networks, special projects, and cross-functional leadership opportunities that unite diverse thinkers and innovators.

Our team is passionate about creating an environment where everyone feels welcome, whether as individuals in the real world or through the alternate realities we create in our products. Nintendo employees live the mantra of "Creating surprise and delight" at work every day. We strive to put smiles on the faces of each other, our families, and our consumers. For that reason, we respect each other's opinions and no matter the path, we walk together. ERG members also spend time together mentoring students by encouraging them to stay in school and take advantage of every development opportunity they are given so they're prepared for the future. It is possible to give this kind of mentoring advice because of their shared backgrounds, experiences, and interests.