



August 25, 2016

To Whom It May Concern

Listed Company Name: Nintendo Co., Ltd.
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**Notification of the Subsidiarization of JESNET Co. Ltd.
and the Acceptance of Assignment of Business from AJIOKA Co., Ltd.**

Nintendo Co., Ltd., (HQ: Kyoto Minami-ku; Representative Director and President: Tatsumi Kimishima; hereinafter "Nintendo") would like to announce that it has passed a resolution to acquire the stock of JESNET Co. Ltd. (HQ: Sapporo, Hokkaido; Representative Director and President: Jou Suzuki; hereinafter "JESNET") and make it a subsidiary of Nintendo at the August 25, 2016 meeting of the Board of Directors. Furthermore, on the same day as JESNET becomes a subsidiary of Nintendo, JESNET will accept the assignment of the video game wholesale business from AJIOKA Co., Ltd. (HQ: Nishio, Aichi; Representative Director and President: Gentarou Ajioka; hereinafter "AJIOKA"). JESNET and AJIOKA have also agreed to this resolution.

1. Background for the Subsidiarization and Acceptance of Assignment of Business

As a manufacturer of video game systems, Nintendo is committed to bringing smiles to people across the world through products and services. To continue to produce an unprecedented level of fun, Nintendo has worked to produce products that anyone can enjoy, regardless of their age, gender or past gaming experience.

At the same time, JESNET and AJIOKA have been the largest-scale companies dedicated to handling Nintendo products in Japan for many years, selling mainly video game systems through their nation-wide distribution network.

This subsidiarization and acceptance of assignment of business will unify Nintendo's product development acumen with JESNET's and AJIOKA's robust stocking and sales networks to form a supply structure that can meet consumer demand in a timely fashion. This means that Nintendo will have an integrated system from the development through supply of its products, allowing for rapid decision-making and an improvement in sales service. These steps are intended to strengthen the overall competitiveness of the Nintendo group and increase its corporate value.

2. Overview of JESNET Subsidiarization

(1) Transfer of Stocks

Nintendo will obtain shares on April 3, 2017 (planned) by receiving 53,724 common shares in a third-party allocation of shares performed by JESNET, as well as receiving 6,677 common shares on the same day from multiple current shareholders, excluding J Holdings Co., LTD. Nintendo will hold 60,401 common shares in JESNET (proportion of voting rights: 70.0%), and JESNET will become a consolidated subsidiary of Nintendo.

The current principal shareholder of JESNET, J Holdings Co., LTD will continue to hold common shares in JESNET (proportion of voting rights: 15.0%) and AJIOKA will obtain common shares (proportion of voting rights: 15.0%) in the third-party allocation of shares performed by JESNET on the same day.

(2) Overview of Company Becoming a Subsidiary (JESNET)

①	Name	JESNET Co. Ltd.		
②	Location	1-35, 19-chome Kita, Nango-dori, Shiroishi-ku, Sapporo, Japan		
③	Representative title and name	Representative Director and President Jou Suzuki		
④	Business lineup	Nintendo game systems, game system accessories, game software, card games, other amusement business		
⑤	Capital stock	88 million yen		
⑥	Date of foundation	December 24, 1952		
⑦	Major shareholders and their stock ownership ratio	J Holdings Co., LTD. 54.5%		
⑧	Connection with Nintendo	Capital relationship	JESNET holds 100,922 shares of Nintendo stock to facilitate the smooth business relationship.	
		Personal relationship	No applicable relationship	
		Business relationship	Nintendo has transactions handling Nintendo products with JESNET.	
⑨	Operating results and financial conditions (past three years)			
	Fiscal year	FY ended July 2013	FY ended July 2014	FY ended July 2015
	Net assets	8,638 million yen	8,996 million yen	9,128 million yen
	Total assets	14,970 million yen	11,987 million yen	15,276 million yen
	Net sales	78,363 million yen	65,477 million yen	57,062 million yen
	Operating income	1,119 million yen	556 million yen	634 million yen
	Ordinary income	1,128 million yen	588 million yen	733 million yen
	Net income	652 million yen	380 million yen	383 million yen

(3) Number of Shares Obtained, Value of Shares and Status of Shares Held Before and After the Agreement

①	Number of shares held before the subsidiarization	0 shares (number of votes: 0) (proportion of voting rights: 0%)
②	Number of shares obtained	Common shares: 60,401 shares (number of votes: 60,401) Of which, number received in third-party allocation of shares: 53,724 shares Number received in receipt of shares: 6,677 shares
③	Value of shares	JESNET common shares: 4,530 million yen (note) Note: Total value of allocation of shares and shares held by existing shareholders Advisory fees, etc. (approximate value): 150 million yen Total: 4,680 million yen
④	Number of shares held after the subsidiarization	60,401 common shares (number of votes: 60,401) (proportion of voting rights: 70.0%)

3. Overview of Acceptance of Assignment of Business from AJIOKA

(1) Contents of Acceptance of Assigned Business

Video game wholesale business

(2) Operating Results of Assigned Business

AJIOKA has not prepared financial materials specifically for the assigned business; however, this business comprises the majority of AJIOKA's profit and loss, so the overall operating results for AJIOKA are presented here.

	FY ended June 2015	FY ended June 2016
Net sales	41,819 million yen	38,735 million yen
Gross profit	1,754 million yen	1,654 million yen
Operating income	274 million yen	211 million yen
Ordinary income	682 million yen	381 million yen

(3) Items and Value of Assigned Business (as of June 30, 2016)

Assets	
Item	Book Value
Inventory	520 million yen
Total	520 million yen

Note: The value above is the book value as of June 30, 2016. It is expected that the value of the assets to be transferred will change by the date of the assignment of business.

(4) Value of Assigned Business and Method of Payment

The value of the assigned business is 1,000 million yen plus the value of the transferred assets listed above, to be determined after receipt.

The payment method will be cash.

(5) Overview of Transferring Business

①	Name	AJIOKA Co., Ltd.	
②	Location	4-31, Sakuragi-cho, Nishio, Aichi, Japan	
③	Representative title and name	Representative Director and President Gentarou Ajioka	
④	Business lineup	Wholesale sales of computer game software and hardware and electronic parts	
⑤	Capital stock	48 million yen	
⑥	Date of foundation	April 24, 1962	
⑦	Net assets	16,972 million yen	
⑧	Total assets	19,238 million yen	
⑨	Major shareholders and their stock ownership ratio	Nagoya Small and Medium Business Investment & Consultation Co., Ltd. 46.8%	
⑩	Connection with Nintendo	Capital relationship	AJIOKA holds 77,517 shares of Nintendo stock to facilitate the smooth business relationship.
		Personal relationship	No applicable relationship
		Business relationship	Nintendo has transactions handling Nintendo products with AJIOKA.
		Situations applicable to related parties	No applicable situations for related parties at Nintendo.

4. Schedule for the Subsidiarization and Acceptance of Assignment of Business

Board of Directors Resolution: August 25, 2016

Agreement Execution Date: August 25, 2016

Planned Date for the Subsidiarization and Acceptance of Assignment of Business: April 3, 2017

(Note) This subsidiarization and acceptance of assignment of business assumes that there will be no cause found to prevent the subsidiarization and acceptance of assignment of business or to issue a cease and

desist order based on the results of the Japan Fair Trade Commission's review of the report submitted following Article 10 paragraph 2 and Article 16 paragraph 2 of the Act on Prohibition of Private Monopolization and Maintenance of Fair Trade.

5. Future Business Projection

This subsidiarization and acceptance of assignment of business will not have an effect on results for this fiscal year. Nintendo will begin including the effect on results in the earnings forecasts for the next fiscal year and later.