

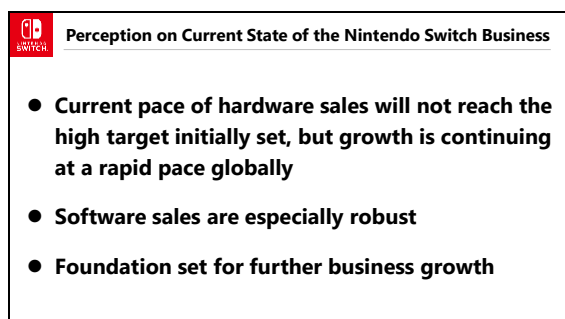
Thank you for making time to attend Nintendo's corporate management policy briefing today. I am Shuntaro Furukawa, President of Nintendo. Senior Executive Officer, Mr. Takahashi, has just presented our financial results for the period.



For my part, I'd like to tell you about Nintendo Switch's present business situation after the recent holiday season, followed by our corporate management policy going forward.



Let me start by talking about this past holiday season, which was the second one since the launch of Nintendo Switch.

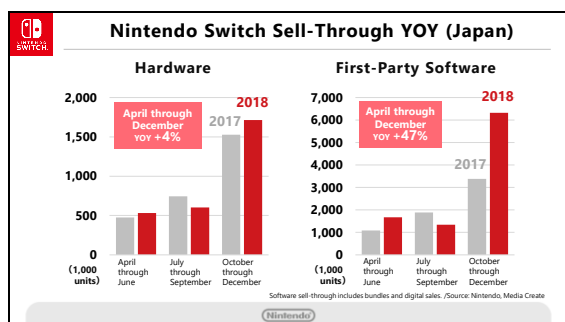


First, I would like to give you my perception on the current state of the Nintendo Switch business. Hardware sales so far this fiscal year have not been at a pace needed to reach the full-year target that we set at the beginning of the fiscal year. But Nintendo Switch sales continue to grow at a rapid pace globally, and especially software sales are extremely robust. I believe this past holiday season laid a solid foundation for further expansion of the Nintendo Switch business.



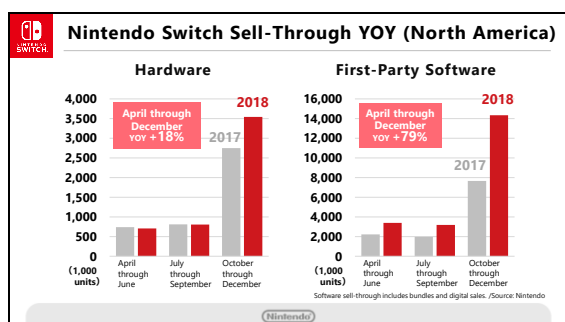
Nintendo released these new titles between October and December of last year. The release of major titles for Nintendo Switch was concentrated in the third quarter of this fiscal year. As we stressed in last October's financial results briefing, it was important to enhance the appeal of Nintendo Switch with these titles and to promote hardware expansion in the holiday season.

Let me turn now to some updates from each of our major markets.

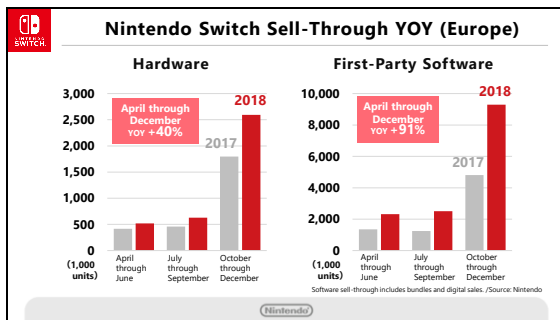


This graph shows the sell-through of Nintendo Switch hardware and first-party software in Japan from April through the end of December of 2018, compared to the same period in the previous fiscal year. Hardware sell-through from July to September dipped slightly below the same quarter of the previous year, but in the October-December quarter which includes the holiday season, it surpassed the extremely strong results of the same quarter of the previous year. The total sell-through between April and December was in line with the previous year. First-party software sales showed positive results, sprinting upward particularly in October and beyond.

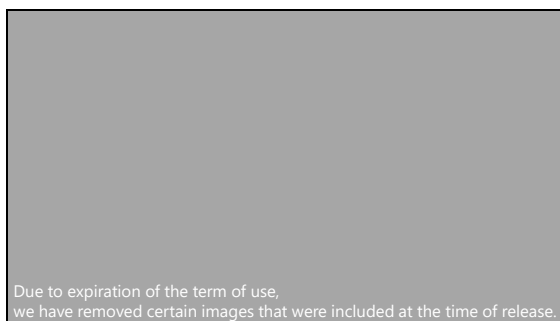
Note: *Sell-through* refers to unit sales by retailers to consumers.



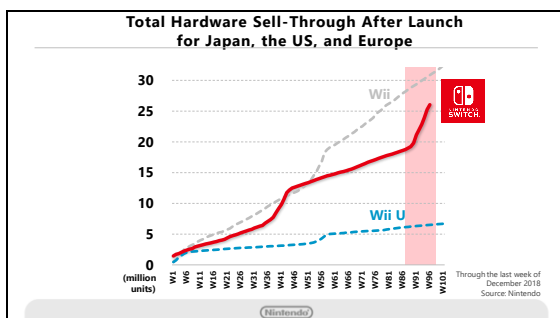
These are the figures for the North American market. Hardware sell-through paralleled the results of the previous year between April and September but then took off during the holiday season, which includes Black Friday. First-party software sell-through was extremely robust and was increased by our new titles selling even better than expected during the holiday season.



These are the figures for the European market. Hardware sell-through exceeded the previous year's levels throughout the year and rose particularly sharply in the holiday season. First-party software sales also moved at a comparatively faster pace throughout the year, and similar to the other markets, the sell-through for the October-December quarter vastly exceeded expectations mainly due to our new titles.



As shown in the previous slides, sales trends over the holiday season picked up considerably for both hardware and software. As a result, the spread of Nintendo Switch increased during the holiday season.



This graph shows the trend in cumulative sell-through following the launch of Nintendo Switch in our major markets. Because Nintendo Switch was launched in March, its sales can't be directly compared to those of Wii or Wii U, which were launched in the holiday season. Even so, Nintendo Switch sell-through rose greatly during this past holiday season, and it continues to sell at a pace close to that of Wii up to this point.

Note: Japanese Launch Dates - Wii: December 2, 2006/Wii U: December 8, 2012/Nintendo Switch: March 3, 2017

Note: North American Launch Dates - Wii: November 19, 2006/Wii U: November 18, 2012/Nintendo Switch: March 3, 2017

Note: European Launch Dates - Wii: December 8, 2006/Wii U: November 30, 2012/Nintendo Switch: March 3, 2017

Cumulative Global Sell-Through Surpasses 30 Million Units and on a Trajectory for Further Growth



As of end of January 2019/Nintendo's estimates include Asia, Latin America, etc.

And cumulative global sell-through, including sales outside of the major markets you saw on the previous slides, has surpassed 30 million units as of the end of January, and the Nintendo Switch business is on a trajectory for further growth. Also, all of the new titles released in succession during the holiday season also showed exceptional sales.

Nintendo Switch Software Total Sell-In



**15.02 million
 units**



**13.76 million
 units**



**12.08 million
 units**



**11.68 million
 units**

Includes bundles and digital sales/Source: Nintendo

As was posted on our official website yesterday, these are the four Nintendo Switch software titles with the highest total sell-in. *Super Smash Bros. Ultimate*, which was only just released in last December, has already joined this lineup after less than a month since its release by selling over 10 million units, an amount that other popular titles have taken years to grow into.

Pokémon: Let's Go, Pikachu! and *Pokémon: Let's Go, Eevee!*, released during the holiday season last year, are ranked fifth in total sell-in, while *Super Mario Party*, released during the same period, is in seventh position. Each of the new titles released in succession during the holiday season sold at an unprecedented pace. Looking back on this holiday season, I feel that we have managed to further enhance the Nintendo Switch software lineup consumers all over the world were looking forward to playing and would recommend them to the people close to them.

Now, I'd like to give more detail on some individual titles.

Note: Sell-in refers to units sold to retailers from the Nintendo group of companies

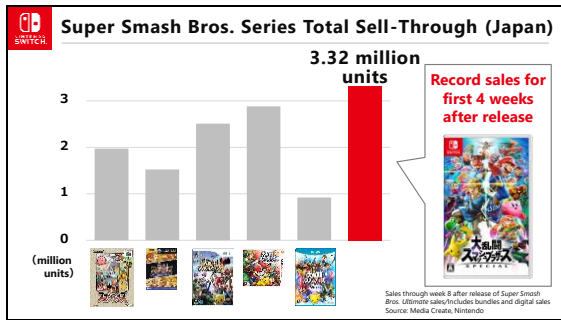


- **Sell-through of over 10 million units**
- **Fastest start for any game on any Nintendo home console ever**

Does not include sell-through in some regions, including Asia and Latin America. Includes bundles and digital sales of five weeks of sales. Source: Nintendo, Media Create, NPD.

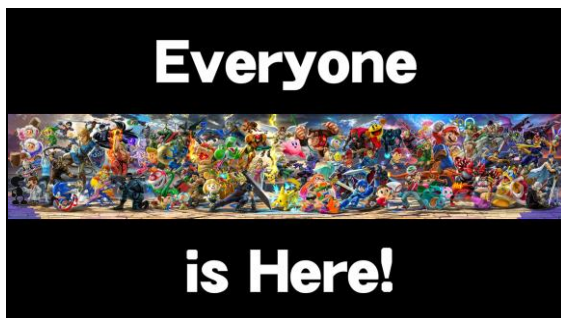
Super Smash Bros. Ultimate has achieved a sell-through of over 10 million units. The title has continued to show explosive growth after its release, with the fastest start for any title on any Nintendo home console ever.

Note: This is the name of the overseas version of the game.



This chart shows the Japanese sell-through of *Super Smash Bros. Ultimate* from the time of its release up to the present. Within only 4 weeks from its release, this title exceeded the lifetime sell-through of the title with then greatest sell-through in the series to achieve the highest sell-through ever.

The first title of the Super Smash Bros. series was released on Nintendo 64 in 1999 and has since expanded with titles for Nintendo GameCube in 2001, Wii in 2008, and Nintendo 3DS and Wii U in 2014. Surveys show that the powerful momentum is coming not only from consumers who played their first-ever Super Smash Bros. game on Nintendo Switch, but also from the wide range of returning consumers who have played past games in the Super Smash Bros. series.



Every fighter that has previously appeared in the Super Smash Bros. series is in this title, hence the tagline of “Everyone is here!” In fact, the tagline could also apply to every consumer who enjoys playing games. For many years, Nintendo has striven to build good relationships with consumers and maintain them. This latest Super Smash Bros. title is like a giant gathering of everyone who has ever had access to Nintendo games at any stage in their lives during the 35 years that Nintendo has been continuously producing video games. As a result, we’re seeing a change in consumer demographics as people across a wide variety of age groups are all playing Super Smash Bros. There are plenty of consumers all over the world, regardless of age or gender, who have experienced Nintendo games, so we hope this will have a positive impact on the expansion of the Nintendo Switch business going forward.



- Fun for families and twenty-somethings alike
- An evergreen title on Nintendo Switch for whenever people get together

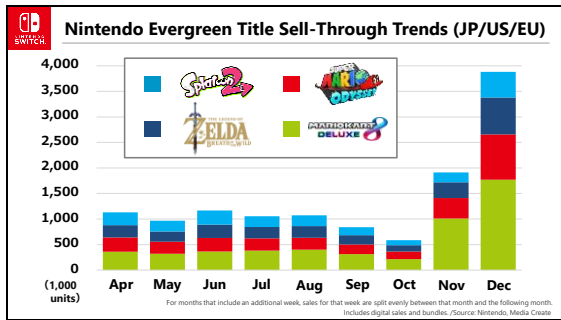
Super Mario Party was released in October of last year. The Mario Party series may be generally viewed as being popular with families and kids, but this new title is also being enjoyed by consumers in their twenties. Beginning in 1998 with the release of *Mario Party* for Nintendo 64, the Mario Party series now consists of 16 titles across eight platforms. It seems that people around the world who have experienced the fun of playing the past installments in the series are now enjoying this newest title. The game meshes well with our “play anytime, anywhere, with anyone” concept for Nintendo Switch, and you can see on social media people playing the game with friends, at parties, and in all sorts of places. Because this is a game that everyone from regular game players to newcomers can enjoy together and have fun, our hope is that it shows continued sales growth this year and beyond as an evergreen title on Nintendo Switch, for whenever people gather together.

- First Series Title on Nintendo Switch
- Appeals to players of *Pokémon GO* and to kids playing for first time



Pokémon: Let's Go, Pikachu! and *Pokémon: Let's Go, Eevee!*, released in November of last year for Nintendo Switch, are among the first Pokémon series titles designed for a home gaming system, and have been well-received by many consumers. We'd like more people all over the world to continue playing these titles. The people who first came in contact with or regained interest in Pokémon through the *Pokémon GO* application for smart devices are purchasing this title, as are the increasing number of children for whom this is the first title they have ever played in the Pokémon series. We hope to continue to show consumers the appeal of these titles, and that playing them will serve as a link to the entirely new entry in the series, planned for release late this year.

Note: *Pokémon GO* is an application for smart devices. (Developed and published by Niantic, in collaboration with The Pokémon Company.)



This chart shows the combined sell-through in Japan, the US, and Europe since April of 2018 for the four titles you see here. All four were released in the year before last, 2017. Sell-through of each title continued at a reasonable pace, then spiked upward toward the end of the year. As the spread of Nintendo Switch progresses, the number of new consumers is increasing. And to consumers who just purchased Nintendo Switch hardware, every existing title seems new.

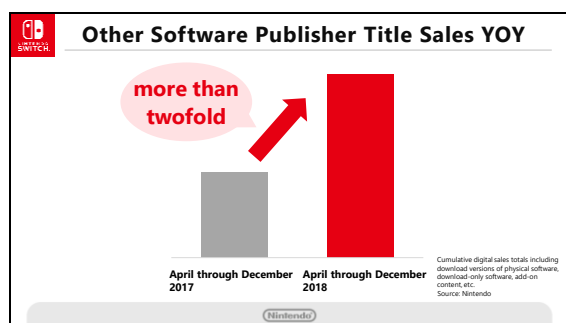
One of Nintendo's strengths is how easy it is for consumers with past experience playing Nintendo games to become interested in new Nintendo-brand titles. And if the steady sales of our evergreen titles can reliably support our overall software sales, we believe that will help fill any gaps between releases of new titles.



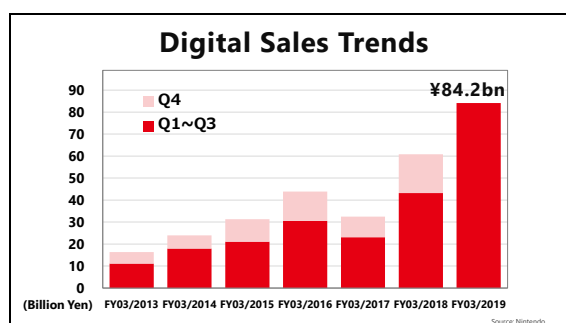
Nintendo Labo has been positively received as a “Nintendo-like” product since its announcement nearly one year ago. Sales of the three Nintendo Labo kits totaled over 1 million units worldwide as of the end of 2018. Before the first kits launched last April, we expected sales and consumer reception to be different from traditional video games like Mario or Zelda.

Nintendo Labo has been incorporated into classes at 100 elementary schools across the US, and has received awards and acknowledgements from various domestic and international media, in categories of toys and of other general consumer products experiences. So, as we expected, it appears that Nintendo Labo has been accepted by our consumers differently than traditional video games.

[Note] Nintendo has partnered with the Institute of Play to introduce Nintendo Labo into 100 elementary school classrooms across the US for the 2018/2019 school year.



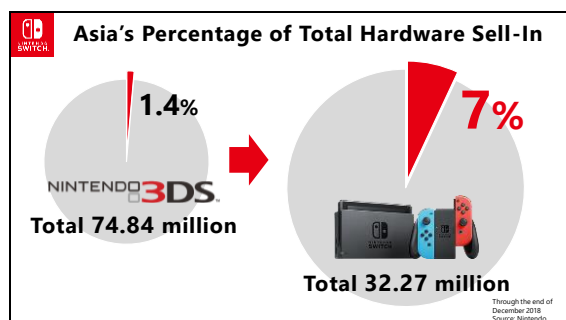
Titles from other software publishers are also seeing a steady rise alongside Nintendo Switch. Nintendo's revenue related to software from other software publishers was more than twofold during April through December of 2018.



This chart presents a comparison of digital content sales for our dedicated video game platform business over the years. Digital sales have expanded since Nintendo Switch was launched in March 2017. The background to this is that, in addition to the pure growth in sales volumes for Nintendo Switch software and the associated growth in overall digital sales, there are more consumers choosing digital versions of packaged software, as well as growth in download-only titles, add-on content, and subscription services, such as Nintendo Switch Online, from both Nintendo and other software publishers.

Note: FY = Fiscal year (April through March of the following year)

Note: Sales include pro-rated Nintendo Switch Online passes, based on the portion of the subscription term that has elapsed.



Meanwhile, the sales volume for Nintendo Switch in the Asia region is growing significantly compared to past Nintendo platforms. Sell-in for Nintendo Switch in the Asia region has already reached more than twice the cumulative sell-in for Nintendo 3DS. Looking at the percentage of units shipped to the Asia region compared to its total cumulative sell-in, Nintendo 3DS cumulative sell-in never reached more than the 1-plus-percent range, while the figure for Nintendo Switch is already 7 percent.

- 1 The Holiday Season
- 2 **Corporate Management Policy**

I would like to move on to a discussion of Nintendo's corporate management policy going forward.

What Nintendo Does as a Company
in the First Place?

**A Company Which Creates
Entertainment That Brings
Smiles to People's Faces**

When I became company president, I discussed with the directors here today the questions, "What is Nintendo?" and "What it does as a company in the first place," and we reaffirmed that we are "a company which creates entertainment that brings smiles to people's faces." Nintendo has long upheld the idea of "entertainment" as the cornerstone of its business, and we want to continue to make people smile through entertainment. To understand how we arrived at this basic strategy, I'd like to start by looking back at the changes in the business environment surrounding Nintendo between the 2000s and now, and how the company changed strategies in response.

**Changes in the Company's Surrounding
Business Environment**

Early 2000s

- Games became more sophisticated and complex
- Stagnation as consumer indifference grew while demand for games shrank

At the start of the 2000s, advancements in video game system performance rapidly led to more sophisticated and complex games. This created a growing belief among the general public that games were only for a select group of fans, which led to stagnation brought about by shrinking demand for games as indifference among some consumers grew. We called this the "gamer drift" phenomena, and in response...

**Changes in the Company's Surrounding
Business Environment**

Mid 2000s



Gaming Population Expansion

Nintendo adopted a strategy of "gaming population expansion" and through Nintendo DS and Wii, offered ways of playing that everyone could enjoy regardless of age, gender, or gaming experience. These efforts to expand the consumer base that enjoys video games yielded more than a certain level of results on Nintendo DS and Wii.

Changes in the Company's Surrounding Business Environment

Late 2000s

- **Rapid spread of high-performance smart devices**
 - Dawn of era where everyone carries a device that can play games
 - Lowering the barriers to game development and sales results in countless games

Starting in late 2000s, smart devices with touchscreens and other advanced features spread rapidly over the next ten years. We entered an era where everyone everywhere always carries around a device that can be used to play games. This, combined with the popularization of new payment models such as free-to-start, significantly lowered the threshold for developing games, and thus spawned countless titles.

Redefined Strength

Starting Around 2014

Characters and Worlds Built Up Over the History of Our Home Entertainment Systems



Expanding The Number of People Who Have Access to Nintendo IP

Within this changing environment, we redefined our strengths. In addition to our development capabilities in creating integrated hardware-software products, we pursued discovery of new business opportunities by focusing on the game characters and worlds we have built up over the history of Nintendo's home entertainment systems, considering this IP as our starting point, and by expanding this IP.

At that time, our basic strategy became "expand the number of people who have access to Nintendo IP," and we began working on actively leveraging the worldwide ubiquity of smart devices and on our IP expansion business, which includes theme parks, video content, and character merchandising.

Continuing to Expand The Number of People Who Have Access to Nintendo IP

We are continuously pursuing our basic strategy of expanding the number of people who have access to Nintendo IP.

Basic Strategy

Expanding The Number of People Who Have Access to Nintendo IP

- Design and development of unique products and services that are overwhelmingly fun to play and whose appeal is easy to understand at a glance
- Active use of Nintendo IP
- Promotion of business based on use of Nintendo Accounts

Toward that end, first, we will continue to pursue the design and development of unique products and services that are overwhelmingly fun to play and whose appeal is easy to understand at a glance. This serves as an engine for Nintendo's growth and boosts our value as a company.

Second, we will continue active use of Nintendo IP. We

aim to broaden the genre and scale of Nintendo's involvement in entertainment through the use of smart devices and other kinds of entertainment besides games.

Third, we aim to create long-term relationships with consumers through initiatives to promote the business based on the use of Nintendo Account.

These three points, while emphasized differently in the different areas of our business, are considered guideposts for how Nintendo should proceed.

Current Situation

- **The market for games on smart devices is beginning to mature, and the competition is becoming fierce**
- **Increasing difficulty in creating different game experiences on different hardware**
- **The gaming population is maxing out amid the pervasiveness of smart devices**

The current market environment for smart device applications is showing signs of maturity, and the competition is becoming even fiercer. Also, it's becoming difficult to create different game experiences on different devices. And, with the pervasiveness of smart devices, the gaming population has expanded rapidly beyond the reach of Nintendo's dedicated video game products. We will continue to propose products that are not limited by the definition of "game," and that bring entertainment to various consumers regardless of region, gender, or age. However, the term of "gaming population expansion" itself does not fit in the current situation.

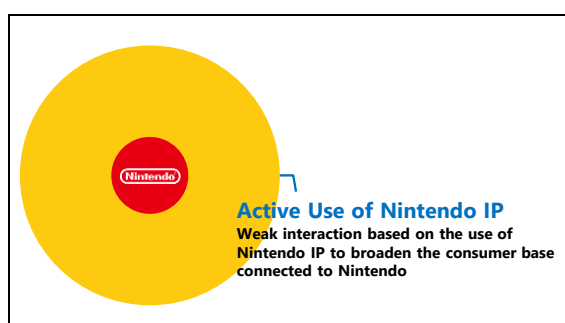
Offering unique value in an expanded market

Due to expiration of the term of use,
we have removed certain images that were included at the time of release.

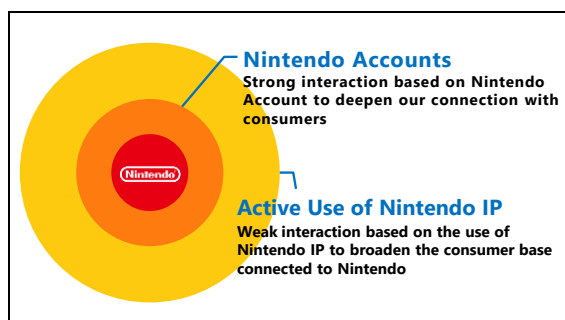
In this market environment, we believe that the strengths Nintendo has cultivated historically will become even more important. It is the strength of being in a position to create the value unique to Nintendo, through developing both hardware and software as integrated products, and is the strength of being able to create the entertainment which can be enjoyed by anyone including families and friends, both children and adults, with a lot of fun when they get together.



We want to expand the consumer base that interacts with our core value by utilizing Nintendo IP, and deepen our connection with consumers through initiatives to leverage Nintendo Account.



“Active Use of Nintendo IP” is weak interaction we use to broaden the consumer base connected to Nintendo. So, this is represented on the slide as the wider circle connected to Nintendo. By creating more opportunities for consumers to encounter Nintendo characters and worlds in their everyday lives, a broader range of consumers are becoming familiar with Nintendo.



Nintendo Account, on the other hand, is the foothold for constructing long-term relationships between consumers and Nintendo. It forms the basis of our strong interaction to deepen the connection between consumers and Nintendo. That’s why it is represented on this slide as the small circle that is closest to Nintendo. Initiatives like My Nintendo and our efforts to strengthen Nintendo Switch Online and the digital business are all linked within our business based on the use of Nintendo Account. We are using Nintendo Account to enhance consumer satisfaction and build continuing close and trusting relationships with them. Both the active use of Nintendo IP and the promotion of business based on the use of Nintendo Account have increasing points of contact with consumers in common, and we intend to use the combination of these two as a foothold to continue stabilizing revenue and boosting profitability.

Three Pillars

Dedicated Video Game Business

Mobile Business

IP Expansion Business

Based on our basic strategy, we've organized the company's initiatives into three pillars of business. The three pillars are the dedicated video game platform business, the mobile business, and the IP expansion business.

Three Pillars

Dedicated Video Game Business

Mobile Business

IP Expansion Business



**Growing Each According to Their
Unique Traits and Potential For Growth**

Each pillar has a different purpose and a different scale. They are each considered critical to the company, and we intend to grow them according to their unique traits and potential for growth. Let me explain each of these businesses in order.

Three Pillars

Dedicated Video Game Business

Mobile Business

IP Expansion Business

The first is the dedicated video game platform business.

Dedicated Video Game Business

- Nintendo's Core Business
- Constantly create fresh surprises, never forgetting the spirit of originality based on the belief that the "value of entertainment lies in its uniqueness"

Work for consumers to experience and continue playing Nintendo entertainment made uniquely possible on a dedicated video game platform

Nintendo

Nintendo's core business will continue to be the integrated hardware-software video game platform business. To constantly create fresh surprises, never forgetting the spirit of originality based on the belief that the "value of entertainment lies in its uniqueness."

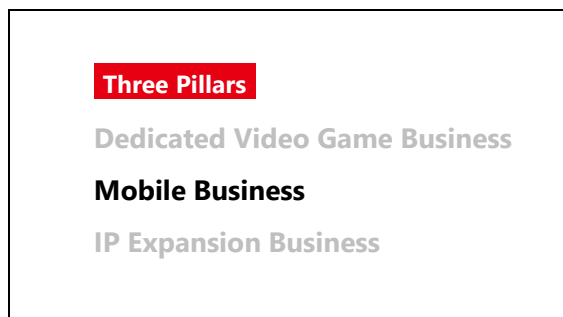


And our goal is for consumers to experience the kinds of Nintendo entertainment made uniquely possible on a dedicated video game platform, and keep them playing and enjoying it..



In last September, we launched Nintendo Switch Online, a paid service that expands the online functionality of Nintendo Switch. Nintendo Switch Online has had a good start, with the number of subscribers surpassing 8 million accounts not including free trials. In keeping with our goal of providing Nintendo Switch owners with “More Games. More Features. More Fun,” we are working on continuing to expand the service offerings.

Note: Includes accounts within Family Memberships



Next, allow me to talk about our mobile business.



In the mobile business, it is of course important to find the right playstyle for smart devices, but we also want to use the overwhelming volume of smart devices to increase the points of contact between Nintendo IP and consumers all over the world. To increase the profitability of the mobile business as a whole, we will maintain and expand services for existing titles while developing new ones. To that end, we plan to proactively drive and discuss partnerships with other companies to utilize their various strengths. Our goal in doing so is to make sure consumers around the world are able to continue playing Nintendo entertainment.



We use events, major updates, and other methods to ensure that consumer continue to enjoy our existing applications. *Fire Emblem Heroes* is almost completely localized into Portuguese, and will be released in the South American market. Likewise, *Dragalia Lost* will also be newly released in English-speaking countries such as Canada, UK, and Australia.

**MARIOKART
TOUR**

Targeting Summer 2019

As we announced yesterday, we are now targeting a summer 2019 release for Mario Kart Tour in order to enhance the quality and expand service contents, such as in-game events, after its release. We will announce further details at a later date.

**Dr. MARIO
WORLD**

Targeting Early Summer 2019

And today, we announced our collaboration with LINE Corporation in the smart-device application business. Under this collaboration, we plan to release Dr. Mario World in early summer 2019 for the global market, including Japan and the United States. We will continue actively considering partnership opportunities with other companies if we come across good proposals.

In the mobile business, we aim to create contact points between Nintendo IP and consumers all over the world through multiple applications and to achieve our overall company goals such as business scale expansion.

Three Pillars

Dedicated Video Game Business

Mobile Business

IP Expansion Business

Finally, I'd like to talk about the IP expansion business.

IP Expansion Business

- Through partnerships with other companies, increase access to Nintendo IP in areas other than games
- Raise the value of Nintendo IP as our competitive edge

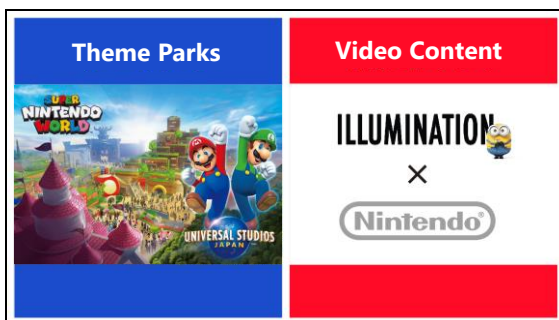
Work to encourage the great number of consumers worldwide to love Nintendo and continue loving it

Nintendo

For the IP expansion business, we will work mainly through partnerships with other companies to expand the number of people who have regular access to Nintendo IP in areas other than video games. Through character merchandise, theme parks, and other such business licensing business initiatives and initiatives in the video content business, such as film, we aim for consumers to receive the games and worlds Nintendo creates as more familiar entertainment experience. Through the accumulation of such initiatives, we will increase the value of Nintendo IP which forms the foundation of our competitiveness as we move forward with our business. We are aiming to encourage the great number of consumers worldwide to love Nintendo and continue loving it.



And the progress around the world beyond countries and areas with the IP expansion business has been made, releasing a variety of character merchandise and forging collaborations with partner companies.



Theme park development with Universal Parks & Resorts is underway. Construction on the “Super Nintendo World” area at Universal Studios Japan is to open in time for the 2020 Tokyo Olympics. In addition, the development of animated film based on “Super Mario Bros.” with Illumination is moving along for an anticipated theatrical release around 2022.



We just announced that, in cooperation with KCJ GROUP, pavilions featuring Nintendo Labo kits are under development for a planned summer 2019 opening at KidZania Tokyo and KidZania Koshien in Japan. In addition to these initiatives...



I would also like to make the first announcement here that we are preparing for opening Nintendo TOKYO, the first official Nintendo shop in Japan.

We are hoping it will be a new point of contact between consumers and Nintendo that a wide range of people, regardless of age, gender, or experience with games can enjoy. In addition to selling products such as video game systems, software and character-based merchandise, we plan to host events and offer opportunities to play games, and are preparing to make this shop a new base for communicating Nintendo information in Japan.



Nintendo TOKYO is scheduled to open in SHIBUYA PARCO (building name tentative) in the fall of 2019. We will announce further details on each of these initiatives at a later date.



This concludes my presentation today. Nintendo will continue to be a company which creates entertainment that brings smiles to people's faces. We aim to keep a good balance of growth in the three pillars of our business, dedicated video game platforms, mobile, and IP expansion, each according to their potential and unique traits, and all with the basic underlying strategy of expanding the number of people who have access to Nintendo IP.



Thank you very much

We appreciate your time and attendance. Thank you.

Disclaimers

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Also, forecasts referred to in this briefing and accompanying documents and materials involve known and unknown risks and uncertainties. Please note that such risks and uncertainties may cause actual results to be materially different from the forecasts.