Thank you for making time to attend. I am Shuntaro Furukawa, president of Nintendo. Executive Officer Mr. Murakami has just presented our financial results for the period.

I will now talk about our corporate initiatives, focusing on these three topics. In September, we launched a new addition to the Nintendo Switch family, Nintendo Switch Lite. And with regards to software for Nintendo Switch, we have seen continued sales growth for previously-released titles, in addition to the wide array of unique new titles that we and other publishers have released during this period. These are among the ways we are drawing the attention of consumers around the world in the second half of this fiscal year.

The first topic I’d like to talk about is the initial status of Nintendo Switch Lite, which launched in September, and the initial status of our new mobile application Mario Kart Tour, which also released in September.

We launched Nintendo Switch Lite worldwide as a dedicated handheld version of Nintendo Switch that’s compact and lightweight, making it easy to take on the go. Let me begin with discussing its sales trends.
This chart shows the overall sell-through per week for the entire Nintendo Switch family in Japan, North America, and Europe, starting four weeks prior to launch of Nintendo Switch Lite. The portions in red indicate sell-through for Nintendo Switch Lite.

You can see how Nintendo Switch Lite added to sell-through of Nintendo Switch, which continued at the same steady pace that it had set this summer. Looking at the state of this initial response, I would say Nintendo Switch Lite generating its own demand, without negatively impacting sales trends for Nintendo Switch. In fact, sales of Nintendo Switch (shown in gray) grew noticeably in the week following the launch of Nintendo Switch Lite. That was the same week as the release of Dragon Quest XI S: Echoes of an Elusive Age - Definitive Edition and the launch of a special Dragon Quest-edition Nintendo Switch in the Japanese market. The Japanese market was also likely affected by last-minute demand before the consumption tax increase.

Next, let’s look at what kinds of consumers have been the initial purchasers of Nintendo Switch Lite.

Looking at the initial trends, which are based on our information about consumers who have registered their Nintendo Account on a Nintendo Switch Lite system, we are starting to see a higher percentage of female users among new Nintendo Switch Lite purchasers compared to the status before the launch of Nintendo Switch Lite, across the world. This signals further expansion of the female consumer base.

Furthermore, the pool of consumers purchasing Nintendo Switch Lite during the initial launch period includes not only users purchasing it as their first system, but also a good number of consumers purchasing it as their second system from the Nintendo Switch family.

Among these consumers buying Nintendo Switch Lite as a second system, some are doing so to supplement a
single Nintendo Switch console shared among the family, while others are opting to buy Nintendo Switch Lite as a compact, lightweight system to take on the go.

We will now continue spreading awareness of the features and appeal of the newly launched Nintendo Switch Lite among a wide range of consumers. First, we will expand our efforts to communicate the features and appeal of the product as we head into the full-fledged holiday season. For example, we have found that consumers gain deeper understanding of Nintendo Switch Lite when they actually see and hold it, so we will further increase the number of opportunities like in-store experiences. We will continue to communicate its appeal after the holiday season, so that new consumers will choose it as their first system, in addition to those who purchase it as a second system from the Nintendo Switch family.

Today, we launched a specially designed Nintendo Switch Lite in the Japanese market, ahead of the release of Pokémon Sword and Pokémon Shield. Before the release of last year’s Pokémon: Let’s Go, Pikachu! and Pokémon: Let’s Go, Eevee!, most Pokémon series titles were released for handheld game systems. We think this will make the handheld Nintendo Switch Lite a familiar and enticing proposal to Pokémon fans.

Note: Scheduled for release on November 8, 2019 in North America, Europe, and Australia, and on November 1, 2019 in Korea, Hong Kong, and Taiwan.
Next, let me talk about the *Mario Kart Tour* mobile application. This application was released in a total of 163 countries and regions on September 25.

*Mario Kart Tour* is a new Mario Kart title you can play with one hand as you race through courses themed after cities around the world. It was released about one month ago, and the number of downloads and the number of players are both trending at the highest levels ever among our mobile applications. The application contains not only randomized paid items, but also a paid subscription service called Gold Pass as a new offering. As the number of players has increased, so too have the number of people purchasing items and subscribing to Gold Pass.

Since release, *Mario Kart Tour* has held a New York Tour followed by a Tokyo Tour, and the Halloween Tour is now open. We will continue development of this title to keep players engaged with seasonal events and tours themed around city motifs, in addition to more familiar courses.

And with regards to future application updates,

A beta test of a real-time multiplayer mode for Gold Pass members will begin in December. Players will be able to experience real-time multiplayer battles ahead of the full-scale release. More details about the beta test will be announced at a later date.

Going forward, we will encourage users to continue playing *Mario Kart Tour* through a combination of feature expansions and operational management, with the goal of making this an evergreen title for smart device owners.
Now let’s look at the momentum in the first half of the fiscal year from April through September, and an analysis of that momentum.

In the Nintendo Switch business, first-quarter sales trends for both hardware and software surpassed those for the same period of the previous fiscal year. In the second quarter, sales for first-party software and software from other publishers were both favorable, and trended well above those in the previous fiscal year.

Nintendo released a string of new titles from June through September, as shown here. We’ve assembled a lineup that ranges from sequels to popular titles and to completely new titles, including those that can be enjoyed by a wide range of consumers, from video game fans to those new to playing games.

Initial sell-through for the 13 weeks following the June release of Super Mario Maker 2 represents a 1.5x increase over that of past titles in the series. The cycle of fun created by building Mario courses and playing the new courses uploaded online every day makes this a title that consumers can continuously enjoy. You can see this from the total number of courses uploaded daily and the number of times those courses have been played. A total of more than 8 million have been uploaded to date. What’s more, these courses have been played by consumers a total of more than 400 million times. We anticipate this will become an evergreen title that consumers continue to play long-term.
This graph compares the sell-through for *Fire Emblem: Three Houses*, released in July, with the sell-through of past titles in the Fire Emblem series. The gray bars represent total sell-through for each of these titles, while the red portions indicate how much of that sell-through occurred in the 13 weeks after release. *Fire Emblem: Three Houses* is off to the best start of any title in the series, with sell-through already exceeding 1.7 million units. The Fire Emblem series has been gaining popularity outside of Japan, especially after the release of *Fire Emblem Awakening* for Nintendo 3DS. This newest title in the series is selling well in the North American market, which accounts for over 50% of its overall sell-through.

*The Legend of Zelda: Link’s Awakening* was released simultaneously with Nintendo Switch Lite in September. Sell-through in the first five weeks exceeded 2 million units. The game is popular not only with the fans of the Zelda series, but also with women and children. This title is a rebirth of the original Game Boy version from 26 years ago. For many, playing the game on Nintendo Switch Lite will bring back fond memories of the Game Boy version of *The Legend of Zelda: Link’s Awakening*, which was the first title in the Zelda series to appear on a handheld system.

This graph shows sell-through of first-party Nintendo Switch software in the six months from April through September in all major markets. Sell-through of first-party software in the first half of this fiscal year grew by 53% compared to the same period in the previous fiscal year.
This graph shows the trend since April for the sell-through we just looked at. We have been steadily releasing titles since this summer, and they all have been selling well, leading to growth in sell-through in the second quarter.

In addition to new titles, our rich library of existing titles released during previous fiscal years also contributed to strong sales.

As you can see, the sell-through of these evergreen titles that were released before March 2019 continued to grow since April, and have been a major presence. Consumers who purchase a new Nintendo Switch system for the first time today view these evergreen titles as equally valuable to the new titles. As the hardware spreads, we can expect the sales of these evergreen titles to continue to grow as well.

This pie graph indicates in red the proportion of sell-through of titles released before the end of March 2019 out of all titles sold during the six months of April through September. The fact that those titles, which include the evergreen titles we just saw, account for over 60% of total sell-through demonstrates how they greatly contribute to software sales as a whole.

So far, we have only been discussing first-party Nintendo Switch software, but our solid software lineup is not limited to just those. Other software publishers have also continued to release a wide variety of new titles, and I'd like to introduce a few of these.
These are just some of the titles that have been released by other software publishers for Nintendo Switch. *DAEMON X MACHINA*, released by Marvelous Entertainment in September, is an all-new mech action game that also supports multiplayer play made possible by Nintendo Switch, and features exhilarating mech action designed to suit different styles of play. September was also when Square Enix released *Dragon Quest XI S: Echoes of an Elusive Age - Definitive Edition*. Players can enjoy this game in both 2D and 3D modes, and it also features new scenarios and elements not found in the original versions. *Disney Tsum Tsum Festival*, released by Bandai Namco Entertainment in October, is a fun and boisterous party game featuring Disney character Tsum Tsum. And today, Sega released *Mario & Sonic at the Olympic Games Tokyo 2020*. In addition to popular Olympic events, this title also features the game's original dream events as well as nostalgic pixel-art 2D events.

*Fishing Spirits Nintendo Switch Version*, released by Bandai Namco Entertainment in July, lets consumers play on Nintendo Switch the medal-based fishing simulation arcade game that is especially popular among kids. In this title, the Joy-Con controllers serve as the fishing rod and reel, and they vibrate when a fish takes the bait, creating the kind of realistic experience only available on Nintendo Switch. The title also has a tournament mode that makes use of Joy-Con sharing for fun competitive play, which is another kind of play unique to Nintendo Switch. This title is only sold in Japan, but we have heard that it continues to exceed initial expectations and is on the way to becoming a hit.
The strong performance of these software titles also positively affects hardware sales.

This chart shows sell-through for the Nintendo Switch family of systems in Japan. Second quarter sales in Japan exceeded the same period in the previous fiscal year by 72%.

We attribute this growth to several factors, including the launch of the new Nintendo Switch model with longer battery life and of Nintendo Switch Lite, as well as the impact of the last-minute demand seen before the consumption tax increase.

This is the North American market. Second quarter sell-through in North America exceeded the same period in the previous fiscal year by 25%. As recently reported by Nintendo of America, total sell-through for the Nintendo Switch family of systems in the North American market has already exceeded 15 million units, and this is prior to the official start of the holiday season.

Sales in the European market also exceeded those of the same period in the previous fiscal year by 25%. As recently reported by Nintendo of Europe, total sell-through in the European market has exceeded 10 million units.

Last year, several new major title releases were concentrated in the holiday season, starting with *Super Smash Bros. Ultimate*, which resulted in especially high
sales for both software and hardware during that time. It will not be easy to surpass the numbers from last fiscal year’s holiday season, but even compared to the last fiscal year, we can say that the Nintendo Switch business is heading into this holiday season with the worldwide momentum it has had since summer.

September marked the one-year anniversary of the launch of Nintendo Switch Online. Global membership numbers are increasing steadily this fiscal year.

We have previously discussed out the importance of expanding the Nintendo Switch Online service in ways that appeal to consumers. Here are the services and benefits added since the launch of Nintendo Switch Online last year. Going forward, we will continue to enhance service content to encourage owners of the Nintendo Switch system or Nintendo Switch Lite system to try the service and see its appeal first-hand, so they will join and maintain a subscription.

Note: The services shown feature content available in Japan, which may differ in other regions.

Finally, let me talk about some additional key points for this year’s holiday season.
Ring Fit Adventure, Luigi’s Mansion 3, and Pokémon Sword and Pokémon Shield will be the new major titles released for the holiday season this year.

Luigi’s Mansion 3, the latest title in the Luigi’s Mansion series, was released yesterday on Halloween. This title is set in a giant ghost hotel, where the player uses new types of actions to explore a variety of bizarre floors. Multiplayer is available for all modes in this title. You can share Joy-Con controllers to play through the story with two players, or enjoy a party game that is separate from the story and supports up to eight players. This title can be enjoyed alone or with others, which makes it perfect for the holiday season.

In November, we will be releasing Pokémon Sword and Pokémon Shield, the newest titles in the Pokémon series. These titles still have all the fun of collecting, raising, trading, and battling that the Pokémon series is known for, plus they feature never-before-seen Pokémon that live in the Galar region, where the new adventure is set. They also include elements to enhance Pokémon battles, and use communication features for play with other users. The titles are enjoyable not only by fans of the Pokémon series, but also by those who got their first taste of the series on a dedicated video game platform with Pokémon: Let’s Go, Pikachu! and Pokémon: Let’s Go, Eevee!.
Other software publishers are also releasing titles in a variety of genres for the holiday season and onwards. What you see here is just a sampling, that includes titles that satisfy game fans and casual titles that can be enjoyed by many players together, revivals of past classics and indie titles created by developers with their own unique style, we have gathered a collection of various titles on Nintendo Switch to answer the diverse needs of consumers.

And then there is *Ring Fit Adventure*, which was released on October 18.

*Ring Fit Adventure* offers players the unique experience of exercising by playing an adventure game. The Ring-Con and Leg Strap with Joy-Con controllers attached recognize the strength or mobility of arms, shoulders, chest, stomach, back, hips, legs, and other parts of body through exercise, allowing players to take on a variety of activities along their adventure.

This title includes 60 types of fitness exercises. There is enough content in adventure mode to play for nearly three months at 30 minutes of exercise per day, depending on the though individual. *Ring Fit Adventure* can be configured at an exercise level to suit the stamina of any user, regardless of whether they are good at exercising or not.
We are receiving a variety of responses from consumers who purchased *Ring Fit Adventure*. These include positive responses to the fitness itself, with comments like "I kept training because I want to know what happens next in the adventure," "I ran out of breath on the first adventure stage," "My muscles were sore the next day," and "It's nice to be able to do fitness exercises at home." Many of the consumers who purchased the title on day one in Japan, the US, and Europe are between 20 and 30 years old, and a lot of them are women. Going forward into the holiday season and continuing into next year, we want to keep expanding the sales of *Ring Fit Adventure* so that it can be enjoyed by players across the world, regardless of age or gender.

And finally, as we recently announced, Nintendo TOKYO, our first directly managed official store in Japan, will open on the 6th floor of Shibuya PARCO on the 22nd of this month. In addition to selling game systems, software, and character merchandise, we are also planning to host events and demos at Nintendo TOKYO. We plan to provide game demos of multiple existing titles, starting with the *Ring Fit Adventure* title that we looked at a moment ago. We aim for this store to become a base for releasing Nintendo information within Japan that can be enjoyed by a broad range of consumers.

The focus of today’s discussion has mainly been on the Nintendo Switch business. We are entering into the third holiday season for Nintendo Switch with even greater momentum than last year. Games like *Ring Fit Adventure* represent the kind of unique entertainment that Nintendo can provide through integrated development of hardware and software. It is an opportunity to attract the interest of more consumers.
and expand the Nintendo Switch market. Going forward, we will also work on growing our mobile business and IP-related properties, including video content and theme park projects, while increasing the installed base of the Nintendo Switch family of systems.

This concludes today’s presentation. We appreciate your time and attendance. Thank you.

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