Six Months Financial Results Briefing/ Corporate Management Policy Briefing for Fiscal Year Ending March 2026
Nintendo Co., Ltd.

# Q&A Summary (English Translation of Japanese Original)

Date: Wednesday, November 5, 2025

Attendees:

Shuntaro Furukawa (President and Representative Director, Member of the Board)

Shigeru Miyamoto (Executive Fellow and Representative Director, Member of the Board)

Shinya Takahashi (Senior Managing Executive Officer and Corporate Director, Member of the Board)

Satoru Shibata (Managing Executive Officer and Corporate Director, Member of the Board)

Ko Shiota (Senior Executive Officer and Corporate Director, Member of the Board)

Yusuke Beppu (Senior Executive Officer and Corporate Director, Member of the Board)

Hajime Murakami (Executive Officer)

- The following are the main questions and answers from the briefing. Please note that portions of this content have been edited or revised to improve readability.
- If you quote from this Q&A, please include a citation or link to this file.

| Q1 | Will there be any changes to how often new titles are released on Nintendo Switch 2 compared to the Nintendo Switch generation? Also, could you tell me how you plan to allocate development resources in order to balance developing new titles while operating existing ones? Previously the stock market mainly focused on the number of new titles released during the year, but since Nintendo Switch 2 can also play compatible Nintendo Switch software, my impression is that the lifespan for each title will be longer. Many consumers were probably surprised about the recently announced major update to *Animal Crossing: New Horizons*. With the performance improvements of Nintendo Switch 2, it feels like the complexity of developing new software has also increased, and the state of development has changed from how it was before. |
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| A1 | Shuntaro Furukawa (President and Representative Director, Member of the Board): <br><br> Our development resources are being shifted to focus on Nintendo Switch 2, but we continue to develop Nintendo Switch software and plan to release new titles in the future. <br><br> Our dedicated video game platform business is based on first expanding the hardware installed base and then continually releasing new titles. We were able to strike a good balance in the Nintendo Switch generation, with many games becoming evergreen titles that continue to sell well over a long period of time. This has allowed us to maintain the overall momentum of the platform. This is true for Nintendo Switch 2 as well, and it is extremely important that we not only continuously release new games but also work to ensure that these titles continue to sell throughout the platform's lifecycle. <br><br> Software development costs are higher and development periods are longer, making it more challenging to continue introducing new titles at a good pace. Nintendo Switch 2 can also play compatible Nintendo Switch software, so we would like to recommend Nintendo Switch software as well to consumers who are picking up a game console for the first time. With these considerations in mind, we believe we will be able to maintain the momentum of our Nintendo Switch 2 business by striking a good balance between introducing new titles and encouraging consumers to play evergreen titles over a long period of time. |

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Shinya Takahashi (Senior Managing Executive Officer and Corporate Director, Member of the Board):

On the development team, we are always striving to deliver new titles at a steady cadence.

However, we also want to continue placing importance on things like the recently announced update to *Animal Crossing: New Horizons*. We are constantly considering the balance between the development of brand new Nintendo Switch 2 titles and new entries in existing series, and updates to existing Nintendo Switch software. We are also working to deepen our collaborations with existing partner companies as well as exploring opportunities with new business partners to expand our development capabilities in terms of both quality and quantity. In addition, we will allocate sufficient capital for R&D as necessary.

| Q2 | Could you tell us about the future sales momentum for the Nintendo Switch 2 hardware, and about the target audiences among whom you aim to expand the adoption of the hardware ? You say that sales are currently mainly focused on existing Nintendo Switch owners, but do you believe there is still room for sales towards existing users to grow? Or, are you planning to gradually focus on expanding to new users as well? |
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| A2 | Furukawa: <br><br> Our goal for Nintendo Switch 2 at launch was to leverage the high engagement with Nintendo Switch and encourage all existing Nintendo Switch owners to purchase the new system. Nintendo Switch 2 hardware unit sales have exceeded 10 million units as of the end of September 2025, but there is still a significant gap compared to the Nintendo Switch installed base of over 150 million units. <br><br> Given that fact, for now we expect to remain in a phase where it is primarily existing Nintendo Switch owners who will purchase Nintendo Switch 2. But at the same time, we will work to convey the appeal of Nintendo Switch 2 to new consumers through the release of software titles and other means. <br><br> Among consumers who have migrated to Nintendo Switch 2, there is no single group that stands out in terms of when they first started playing Nintendo Switch. Consumers who purchased Nintendo Switch back at the launch in 2017 up through those who just bought it recently, have evenly transitioned to the Nintendo Switch 2 system. |

| Q3 | The Mario Kart series has produced the best-selling software for the past few platform generations and I imagine that pattern will continue on Nintendo Switch 2. Is there any possibility that a title that surpasses the Mario Kart series in terms of unit sales will be released on Nintendo Switch 2? |
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| A3 | Shigeru Miyamoto (Executive Fellow and Representative Director, Member of the Board): <br><br> Nintendo has always worked with the idea that there are no limits to our efforts. For example, when we tried our hand at movies with *The Super Mario Bros. Movie*, its success was compared to the box office revenues of other movies. However, even if the movie topped the rankings, |

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we would think there was more room for growth. My latest theme is that there is no ceiling in the world of entertainment. In that sense, there are still many markets around the world that can be expanded through Nintendo Switch. If some Nintendo IP or innovation is widely accepted by consumers as something new and never before seen, the numbers could potentially reach beyond the boundaries of entertainment. One thing that is interesting about Nintendo is that it's okay to try anything. On the other hand, even if something like that happens, Mario Kart would probably continue to sell well in that undertaking as well, so it may never be surpassed!

A long time ago, before creating the first Pokémon game, Satoshi Tajiri, the director of Pokémon, joked with me that to surpass Nintendo's Mario he'd have to sell two copies of the game to each consumer. That is one reason why Pokémon started with both *Pokémon Red* and *Pokémon Blue*. I believe that new ideas are born precisely because of people like him, who challenge themselves to surpass what came before.

| Q4 | Hypothetically speaking, if (former president) Hiroshi Yamauchi were still alive and evaluated the current state of Nintendo Switch 2, what kind of comments do you think he would make? |
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| A4 | Miyamoto:<br><br>Yamauchi, as president of Nintendo, might feel a sense of envy that the numbers have surpassed those of his own tenure, but in a typical Kyoto business executive manner, I think he would say, "Stay humble. Keep your feet on the ground and do the right thing." |

| Q5 | Can you elaborate on future development of movies and videos? In October, Nintendo Pictures released a short film that it had created, but do you plan to shift toward producing movies and other video content in-house? |
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| A5 | Furukawa:<br><br>Based on the reception of *The Super Mario Bros. Movie*, we feel that movies and videos are forms of entertainment that have great synergy with games, and that we would be able to provide original offerings in this field that are uniquely Nintendo. As I mentioned in today's presentation, this is a field that we would like to be even more actively involved in going forward. Through movies and videos, we hope to expand the number of Nintendo fans and encourage them to also take an interest in our games, and build a relationship with our consumers so that they will support Nintendo across generations.<br><br>Miyamoto:<br><br>As an entertainment company, Nintendo has developed a variety of games, IP, and characters. A major reason behind our venture into creating movies and videos is thinking about what kind of entertainment experiences our company can create next that can be an asset over the long term. So far, we have focused on interactivity, but we've decided to also expand into videos, a more linear form of media.<br><br>Of course, we need people to create movies and videos. However, when considering whether |

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to expand the size of Nintendo as an organization moving forward, just continuously increasing our headcount is not the answer. To address this point, we thought about whether we could collaborate with people around the world who make video content, and this was how we started this initiative. Japanese businesses often use the expression "overseas expansion," but most of the time end up being incorporated into a preexisting international framework. We believe that the world is a single market, and we should ourselves invest in developing content that can be enjoyed globally regardless of where it came from. Now we've reached a point where Nintendo developers can work alongside various production companies and creators on an equal footing, engaging in a variety of conversations and collaborations.

To elaborate, I'd like to go into specific business practices. For movies, there is an established business framework where the distribution companies manage movies. The past indicates that following that established structure and creating content with care and attention leads to profits.

On the other hand, Nintendo Pictures is creating its own videos and conducting research based on the idea of taking on new challenges in the field, rather than being an organization for creating movies like *The Super Mario Bros. Movie*. While movies are made according to a proven business model, we would also like to take on various challenges in areas that have not yet clearly taken shape, and so have prepared an environment that will enable us to work on this undertaking one step at a time. The *Close to You* Pikmin themed short video that was released recently was created as an experiment based on this concept. We would like to continue providing this kind of content that generates enthusiasm around the world, and develop it into an important asset for Nintendo. We appreciate your warm support in these endeavors.

| Q6 | I'd like to verify how the increase in component costs affects the profitability of Nintendo Switch 2 hardware. While the cost of memory modules has been increasing lately, if this trend continues after you have exhausted your current stock of components, what will be the impact? Is there a possibility that the hardware profitability could decline? |
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| A6 | Furukawa:<br><br>We believe that we'll be able to maintain the current level of profitability for hardware for the time being unless there are significant changes in external factors, such as a shift in tariff assumptions, or other unexpected events. While we are aware that the costs of various materials are rising, we also anticipate some areas where cost reduction may be achieved for Nintendo Switch 2 through ongoing mass production efforts. Therefore, currently we do not expect the recent rise in material costs to greatly impact profitability. We will continue our efforts to maintain the same level of profitability as we currently have. |

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