

Q&A Summary (English Translation of Japanese Original)

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Q1	I believe there are people with visual impairments out there who would like to play games. Please describe any initiatives Nintendo is undertaking for these people.
A1	Shuntaro Furukawa (President and Representative Director, Member of the Board): We want many people around the world to play our games. I won't go into specific details about our efforts here, but we will continue to make various efforts to ensure that many people can enjoy our games, including those with visual impairments as well as others who have difficulty playing.

Q2	I would like to know about countermeasures against the reselling of the successor to Nintendo Switch. At last year's general shareholders meeting, you said you would prevent resale by ensuring the production of a sufficient volume of hardware. How are these efforts coming?
A2	Furukawa: We believe that the most important countermeasure against reselling is to produce enough units to meet demand. This thinking has not changed since last year. In addition, we are taking into account circumstances in each region and considering what measures can be taken within the limits permitted by law. Last year and the year before, we were unable to produce Nintendo Switch hardware in sufficient quantities due to the semiconductor shortage. That situation has now been resolved. As for the successor to Nintendo Switch, at present we do not think shortages of components will significantly affect production.

Q3	Nintendo has shined the spotlight on indie games [games developed by smaller companies] from time to time. Going forward, what will Nintendo's relationship be like with these types of games? Are you considering any proactive measures to increase the number of indie titles?
A3	Furukawa: Since before the launch of Nintendo Switch, we have taken a variety of initiatives to make our platform attractive to indie game developers in terms of both development and sales. This includes improvements to the development environment with enhanced support for developers, and promoting the platform at developer events around the world. We also support indie titles by showcasing them on our Indie World program. For Nintendo Switch, we have provided development environments such as Unity and Unreal Engine since early on, which are being used by many developers. Indie games are essential to increasing the appeal of our platform, so we will continue our work to strengthen these activities going forward.

Q4	Efforts are underway to equip smartphones with AI, and it is expected that AI will become more prominent in everyday life. I'd like to hear about Nintendo's initiatives using AI.
A4	<p>Furukawa:</p> <p>In the game industry, AI-like technologies have long been used — for example, to control the movements of opponent characters — so I believe that game development and AI technology have always had a close relationship. Generative AI, which is becoming a big topic recently, can be used in creative ways, but we recognize that it may also raise issues with intellectual property rights.</p> <p>We have decades of know-how in creating the best gaming experiences for our players. While we are open to utilizing technological developments, we will work to continue delivering value that is unique to Nintendo and cannot be created by technology alone.</p>

Q5	A special website celebrating the 40th anniversary of the Family Computer system (Famicom) has been up since last year. Also, you announced a game called <i>Nintendo World Championships: NES Edition</i> . Are you planning other projects related to Famicom [NES]?
A5	<p>Furukawa:</p> <p>Last year marked the 40th anniversary of Famicom in Japan. We conducted many activities to share information including the launch of a special website and streaming a YouTube program themed around Famicom. Additionally, Nintendo Switch Online members can play many Famicom titles on Nintendo Switch. We are very grateful that many people have memories of Famicom and have shared them on social media.</p> <p>In July, we plan to release a game called <i>Nintendo World Championships: NES Edition</i>. Through these kinds of initiatives, we can enable people to rekindle the memories of Famicom and give new players the opportunity to experience these games, which we believe this will lead to an increase in our company's long-term corporate value. For this reason, we will continue to treasure our old products as well as our new ones.</p>

Q6	Regarding upcoming software releases, there is a rich lineup of titles from the Mario and The Legend of Zelda series, but some users are voicing the opinion that there is a lack of new IP. What are your thoughts on developing titles using new IP?
A6	<p>Shinya Takahashi (Senior Managing Executive Officer and Corporate Director, Member of the Board):</p> <p>We have released a number of titles for Nintendo Switch that incorporate new characters, new initiatives, and new ways to play, and we plan to continue to offer a variety of ideas going forward.</p> <p>In addition to developing titles for people who prefer to play games with familiar characters, the developers are trying to think of proposals for people who are expecting something new. I hope you will look forward to them.</p>

Q7	<p>It was announced that the hardware sales forecast for the current fiscal year does not include the successor to Nintendo Switch. However, I believe the full-year earnings forecast will be greatly affected by a successor system or a major software release. I would like to hear your thoughts on the need to announce the company's full-year earnings forecasts.</p>
A7	<p>Furukawa:</p> <p>When we announce our financial results at the end of each fiscal year, we also announce our full-year financial forecast for the new fiscal year. We know that investors are very interested in these forecasts. Our basic policy for IR activities is to disclose information to shareholders and investors in a fair, timely, and appropriate manner. However, in our business, it is important to surprise our consumers in a positive way. Sharing specific product information or sales strategies in advance would diminish the surprise. For that reason, we are often unable to disclose such information when announcing our earnings forecasts, and we find it challenging to announce earnings forecasts at that stage.</p> <p>On the other hand, we also think we need to communicate our business outlook to shareholders and investors as much as possible, so we believe it is appropriate to announce our full-year earnings forecast, at least for now. Previously, we also announced interim earnings forecasts, but we no longer disclose those since even a slight difference in the timing of a software release can significantly change the numbers.</p> <p>We will continue to consider ways to better communicate with our shareholders and investors.</p>

Q8	<p>The breadth of Nintendo's business is widening with moves like the opening of SUPER NINTENDO WORLD inside Universal Studios Hollywood. I'd like to hear about the kinds of directions Nintendo will take going forward. I would also like to ask about your collaboration with NVIDIA for Nintendo Switch.</p>
A8	<p>Shigeru Miyamoto (Executive Fellow and Representative Director, Member of the Board):</p> <p>We are currently preparing for the opening of Nintendo Museum in Uji City, Kyoto Prefecture, where people can learn about Nintendo through our past products. When I view the exhibits at Nintendo Museum and think back on the path Nintendo has taken, I get the feeling that the company has reached a big milestone.</p> <p>Nintendo's business began with <i>hanafuda</i> and <i>karuta</i> playing cards, and after expanding into various other businesses, the company decided to focus on entertainment, which fortunately led to video games. Even within the world of video games, Nintendo has taken its own path rather than competing with its rivals.</p> <p>Starting around a decade ago, we realized there was a limit to the extent to which Nintendo's entertainment could reach people around the world through our dedicated video game platform business alone. Since then, we have continued a series of initiatives to create opportunities for people to become familiar with Nintendo in other areas, such as mobile apps, theme parks, and movies. It feels like those initiatives have finally begun to gain traction.</p> <p>Donkey Kong Country is set to open at Universal Studios Japan in Osaka, and next year SUPER NINTENDO WORLD is scheduled to open in Orlando, Florida, at Universal Epic Universe, a theme park now under construction. In addition, there are plans to open SUPER NINTENDO WORLD at</p>

	<p>Universal Studios Singapore, and we are also preparing various other expansion initiatives including in the visual content area.</p> <p>What's important is not what Nintendo games people buy, but how we can encourage people around the world to choose Nintendo. It's important for us to create occasions where parents not only want to give Nintendo products to their kids, but also want to play themselves. So, we encourage our employees to all work together to create reasons for people to choose Nintendo, and we pursue those kinds of initiatives. By working this way, any of our products can potentially be chosen by people all over the world. Nintendo is not in the business of making products that are daily necessities or commodities. Through our repeated efforts to create new added value, generate interest, and always aim for home runs — products that become big hits — I believe Nintendo will remain an important brand for families going forward. We would like to continue these efforts.</p> <p>Ko Shiota (Senior Executive Officer and Corporate Director, Member of the Board):</p> <p>We worked together with NVIDIA to develop the system on a chip (SoC) that is at the heart of Nintendo Switch, and the system software for that SoC. Since the launch of Nintendo Switch, we have continued to receive a variety of technical support from NVIDIA.</p>
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<p>Q9</p>	<p>Regarding your production system going forward, are you considering measures to deal with the weak yen and hedge risk, such as by strengthening manufacturing within Japan or increasing the number of countries with production bases?</p>
<p>A9</p>	<p>Furukawa:</p> <p>Nintendo's sales outside of Japan account for nearly 80% of total sales, so generally speaking, a weaker yen has a positive impact in that it boosts sales. On the other hand, most of our material procurement is in U.S. dollars, so if the yen weakens, the positive impact on sales is partially counteracted. Furthermore, our foreign subsidiaries in the U.S., Europe, and elsewhere incur expenses denominated in foreign currencies such as advertising and labor, so a weaker yen has a negative impact on profits. Given this situation, the benefit of a weaker yen lessens at the operating profit level rather than at the sales level. Nintendo owns deposits and other assets denominated in foreign currencies, so if the exchange rate for the yen at the end of the fiscal year weakens compared to the end of the previous fiscal year, the revaluation will result in foreign exchange gains.</p> <p>Hirokazu Shinshi (Senior Executive Officer):</p> <p>We have a fables production system and outsource the manufacture of our products to our production partners. It is challenging to create a system of production for our products because production volumes change significantly depending on demand. We need a production system that can respond to changes, including local risks, so we follow the situation in every country and the situation with our business partners daily, and consult with them while working daily to achieve the optimal production system.</p>

Q10	<p>I'd like to know what investments you are making or considering in information security.</p> <p>Given the widely reported news of cyberattacks against other companies, the importance of information security for business has increased in recent years. I realize that Nintendo has had few product information leaks and almost no incidents related to information security, but how do you verify that your information security is working properly?</p>
A10	<p>Furukawa:</p> <p>We recognize that the robustness and security of information systems are extremely important matters, and we are taking various measures in those regards.</p> <p>We work with external specialists to diagnose our internal systems and the services we provide to explore whether there are any security issues, and we continually implement initiatives to improve security.</p> <p>As part of our internal system for information security, we introduced the Information Security Management System in 2017 and have established an Information Security Committee. Information management policy is decided by this committee, and we adopt both physical and technical countermeasures. In addition, we are working to raise awareness through the continual training of our employees on matters of information security.</p>

Q11	<p><i>Super Mario Bros. Wonder</i>, released last year, was the first new 2D Mario game in 11 years. It seems that software development for Nintendo Switch is taking longer than in the past. In terms of the gaming experience, I think it is important for players to have a series of memorable experiences at a young age. So, it would be nice to see shorter development cycles and games released regularly, even if they are not major game titles, so young people have more opportunities to play games.</p>
A11	<p>Furukawa:</p> <p>Game development today is more prolonged, more complex, and more advanced. That is unavoidable. To deal with this, we are continually expanding our development resources and making the necessary investments.</p> <p>Takahashi:</p> <p>As hardware advances, it is inevitable that software development takes longer. But I believe we are succeeding in our efforts to shorten development cycles, for example by steadily improving the development environment following the release of the hardware.</p> <p>Whether titles take a long time or a short time to develop, we want to make games that are fun.</p> <p>It is not as if <i>Super Mario Bros. Wonder</i> was under continuous development for nearly a decade. There was a long gap between the release of the previous title, <i>New Super Mario Bros. U</i>, and the current title because various initiatives and studies were made in the meantime. Going forward, we aim to continue with a variety of new offerings, and we hope you look forward to them.</p> <p>Takashi Tezuka (Executive Officer):</p> <p>After we finished <i>Super Mario Bros. Wonder</i>, I was reminded 11 years had gone by since the previous game. However, that doesn't mean we did nothing during that time. We developed</p>

	<p>several new Mario games, such as the Super Mario Maker series and the 3D Mario series.</p> <p>To reiterate Nintendo's creative philosophy, first we think about creating entertainment that has never been done before, regardless of whether it is a Mario series game or not. Then we think about how we can make it fun for everyone so they fall in love with Nintendo.</p> <p>All of our games involving Mario, not just <i>Super Mario Bros. Wonder</i>, are created with the goal of encouraging as many people as possible to enjoy them.</p> <p>As for upcoming new titles, some will take time to develop and others will be made in a short period of time. I hope you look forward to our new offerings.</p>
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Q12	<p>I would like to know what your thoughts are on shareholder returns. Nintendo enacted a 10-for-1 stock split in 2022. Are there plans in your shareholder return policy to conduct another stock split or a share buyback going forward?</p>
A12	<p>Furukawa:</p> <p>We carefully considered whether to implement a stock split to reduce the unit of investment, based on the belief that such a move would be an effective means of expanding our investor base and further increasing the liquidity of our shares. In 2022, based on a comprehensive assessment of our stock price level, liquidity, market conditions, and other such factors, we decided on a 10-for-1 stock split. We believe that has had a certain effect on expanding our investor base, including an increase in the number of shareholders, particularly individual shareholders.</p> <p>Our basic policy regarding share buybacks is to conduct buybacks as necessary, taking into account the business environment, stock prices, and stock market trends. If such measures are implemented, information about them must be made public in accordance with the Timely Disclosure Rules of the Tokyo Stock Exchange, so we cannot provide specific details here about when and how they will be done.</p>

Q13	<p>Nintendo owns a lot of compelling IP, such as Mario and The Legend of Zelda, but there are cases where other companies are offering products and services that appear to infringe on those IP rights. I am concerned about a possible erosion of the value of Nintendo's IP. What are your thoughts on how to respond to acts that infringe on Nintendo's intellectual property rights?</p>
A13	<p>Furukawa:</p> <p>Our mission is to bring smiles to people through entertainment, and we aim to provide games that anyone can intuitively enjoy. Many people have developed an affection for our characters and IP through their experience of playing our games. For this reason, we believe it is extremely important for us to continue to create new ways to play so people deepen their attachments to our characters and IP.</p> <p>Our basic policy for protecting our intellectual property is to take appropriate action against any infringement of our IP rights. This will not change in the future.</p>

Q14	I can imagine that the core developers at Nintendo are getting older. Are you considering handing over or transitioning future game production to the younger generation?
A14	<p>Furukawa:</p> <p>The generational transition for developers is a very important issue for our company, but I believe it is progressing smoothly and I have no concerns at all. Nintendo is a company with many young, talented developers.</p> <p>Miyamoto:</p> <p>Although I am the eldest director, I have no concerns and feel comfortable with my job.</p> <p>When it comes to developing new games, we have a system in place that allows younger developers to take the initiative, and I believe the handover is going smoothly. However, those of the generation that took over have now become older themselves, so I would like to be able to hand things over to an even younger generation.</p> <p>Personally, I find that if I'm not creating things, my days become boring and I become unable to create, so I'm involved with mobile apps like <i>Pikmin Bloom</i> and new media, such as visual content.</p> <p>In some cases, I will continue to be heavily involved in game development, and I also want to be actively involved in fun ventures such as creating new IP that can gain interest worldwide.</p>

Q15	I understand that Nintendo sees itself as a company that aims to "put smiles on the faces of everyone it touches." Unfortunately, I sometimes come across cases on social media where Nintendo IP and games are used inappropriately. I feel that this kind of behavior poses the risk of damaging the value of Nintendo IP, so I'd like to know how you handle such cases.
A15	<p>Furukawa:</p> <p>Our company aims to achieve our management policy to "bring smiles through entertainment" by proposing unique games that anyone can intuitively enjoy. I will refrain from commenting on individual cases, but we believe that appropriate action must be taken against any behavior that undermines this policy.</p> <p>Our goal is to create an environment where everyone can enjoy playing games. We will continue to make every effort to ensure that our consumers are not made to feel uncomfortable, not only in our games but also anywhere they come into contact with our IP.</p>

Q16	<p>I would like to know how the weakening of the yen is affecting product prices.</p> <p>If you consider the current market exchange rate, there is a large difference between the sales price for Nintendo Switch – OLED Model in Japan and the U.S. I am concerned that if the yen continues to depreciate at the time the successor system is launched, setting the price in each region based on the market exchange rate would make it less affordable for people in Japan. Have you considered adjusting the sale prices for specific regions?</p>
A16	<p>Furukawa:</p> <p>The yen has depreciated since the release of Nintendo Switch, and it is true that there is a price</p>

	<p>difference between hardware in Japan and elsewhere.</p> <p>Currently, we cannot provide any information about the launch timing or pricing strategy for the successor system. In addition, we are not currently considering a price change for Nintendo Switch. However, it is true that the yen has depreciated over the long term, so we will consider this issue carefully as we monitor the situation going forward.</p>
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Q17	<p>I feel that the candidates for board positions to be elected in today’s general meeting of shareholders do not hold very much Nintendo stock. What is your stance on the amount of stock owned by board members?</p>
A17	<p>Furukawa:</p> <p>We believe each candidate will fulfill their responsibilities as a member of the board regardless of the amount of stock they own. As a long-term incentive, Nintendo grants restricted stock to board members who are not members of the Audit and Supervisory Committee as a part of their compensation. For this reason, the amount of stock held by the five internal board members, including myself, has increased compared to last year’s shareholders meeting. In this way, I believe we are progressing more with value sharing between board members and shareholders. We will continue to consider necessary measures.</p>

Q18	<p>I believe that good game music is a catalyst for people to play games. Recently, there have been more soundtracks released for games, such as for The Legend of Zelda series. Are you considering utilizing Nintendo's assets by for example, distributing game music via a subscription system?</p>
A18	<p>Furukawa:</p> <p>Many people have an attachment to game music, and we receive a lot of attention when we hold and stream concerts featuring our game music. I feel that people love games from a variety of different perspectives.</p> <p>I believe game music is extremely valuable for expanding the number of people who have access to Nintendo IP, and would like to consider utilizing it in ways that bring joy to consumers.</p>

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