

# **Annual Report 2023**

**for the fiscal year ended March 31, 2023**

**Nintendo Co., Ltd.**

## Table of Contents

|  |    |
|--|----|
| Information on the Company .....   | 2  |
| I. Overview of the Company .....   | 2  |
| 1. Key financial data and trends .....   | 2  |
| 2. History .....   | 3  |
| 3. Description of business .....   | 4  |
| 4. Subsidiaries and associates .....   | 5  |
| 5. Employees .....   | 7  |
| II. Business Overview .....  | 9  |
| 1. Management policy, management environment, issues to address .....                  | 9  |
| 2. Approach to and initiatives for sustainability .....                                | 10 |
| 3. Risk factors .....  | 13 |
| 4. Analysis of financial position, operating results and cash flow by management ..... | 16 |
| 5. Material contracts, etc. ....   | 19 |
| 6. Research and development activities .....   | 20 |
| III. Equipment and Facilities .....  | 21 |
| 1. Overview of capital investments .....   | 21 |
| 2. Major Facilities .....  | 21 |
| 3. Plans for new installation and retirement of equipment and facilities, etc. ....    | 22 |
| IV. Profile of the Company .....   | 23 |
| 1. Status of shares and other relevant matters .....                                   | 23 |
| 2. Status of acquisition of treasury shares and other relevant matters .....           | 29 |
| 3. Dividend policy .....   | 32 |
| 4. Corporate governance .....  | 33 |
| V. Financial Information .....   | 51 |
| Consolidated financial statements, etc. ....   | 51 |

Documents hereto titled “Annual Report” are based on the Company’s Annual Securities Report (Japanese only) prepared following the Financial Instruments and Exchange Act for the purpose of providing accurate financial information and other information in a manner that is easy to understand. In the event of any discrepancy between these translated documents and the Japanese originals, the originals shall prevail. The Company assumes no responsibility for this translation or for direct, indirect or any other forms of damages arising from the translations.

[NOTE: Basis of Presenting Consolidated Financial Statements]

The accompanying consolidated financial statements of Nintendo Co., Ltd. (the “Company”) and its consolidated subsidiaries are compiled from the consolidated financial statements prepared by the Company as required by the Financial Instruments and Exchange Act of Japan and are prepared on the basis of accounting principles and practices generally accepted in Japan, which are different in certain respects as to application and disclosure requirements of the International Financial Reporting Standards. The financial statements of the Company and its subsidiaries in Japan are prepared on the basis of the accounting and relevant legal requirements in Japan. The financial statements of consolidated subsidiaries outside of Japan are prepared on the basis of the accounting and relevant legal requirements of their countries of domicile and no adjustment has been made to their financial statements in consolidation to the extent that significant differences do not occur, as allowed under the generally accepted accounting principles and practices in Japan.

Each amount in the accompanying consolidated financial statements is rounded down to the nearest one million yen or one billion yen. Consequently, the totals shown in the accompanying consolidated financial statements do not necessarily agree with the sums of the individual amounts.

The consolidated financial statements presented herein are stated in Japanese yen, the currency of the country in which the Company is incorporated and operates. The rate of ¥133 to 1 USD, the approximate current rate of exchange on March 31, 2023, has been applied for the purpose of presentation of the accompanying consolidated financial statements in U.S. dollars. These amounts in U.S. dollars are included solely for convenience and are unaudited. These translations do not imply that the actual Japanese yen amounts have been or could be converted into U.S. dollars at this or any other rate of exchange.

The accompanying consolidated financial statements are not intended to present the consolidated financial position, results of operations and cash flows in accordance with accounting principles and practices generally accepted in countries and jurisdictions other than Japan.

# Information on the Company

## I. Overview of the Company

### 1. Key financial data and trends

#### Consolidated financial data

| Fiscal year  | 79th       | 80th       | 81st       | 82nd       | 83rd       |            |
|--|------------|------------|------------|------------|------------|------------|
| Fiscal year ended March 31   | 2019       | 2020       | 2021       | 2022       | 2023       |            |
| Net sales<br>(Millions of yen)<br>(Millions of dollars)                                  | ¥1,200,560 | ¥1,308,519 | ¥1,758,910 | ¥1,695,344 | ¥1,601,677 | USD 12,042 |
| Operating profit<br>(Millions of yen)<br>(Millions of dollars)                           | 249,701    | 352,370    | 640,634    | 592,760    | 504,375    | 3,792      |
| Ordinary profit<br>(Millions of yen)<br>(Millions of dollars)                            | 277,355    | 360,461    | 678,996    | 670,813    | 601,070    | 4,519      |
| Profit attributable to owners of parent<br>(Millions of yen)<br>(Millions of dollars)    | 194,009    | 258,641    | 480,376    | 477,691    | 432,768    | 3,253      |
| Comprehensive income<br>(Millions of yen)<br>(Millions of dollars)                       | 200,341    | 236,490    | 527,951    | 530,498    | 486,661    | 3,659      |
| Net assets<br>(Millions of yen)<br>(Millions of dollars)                                 | 1,414,798  | 1,540,900  | 1,874,614  | 2,069,310  | 2,266,466  | 17,041     |
| Total assets<br>(Millions of yen)<br>(Millions of dollars)                               | 1,690,304  | 1,934,087  | 2,446,918  | 2,662,384  | 2,854,284  | 21,460     |
| Net assets per share<br>(Yen)<br>(Dollars)   | 1,183.39   | 1,293.35   | 1,573.48   | 1,763.56   | 1,946.55   | 14         |
| Profit per share<br>(Yen)<br>(Dollars)   | 161.55     | 217.12     | 403.26     | 404.67     | 371.41     | 2          |
| Diluted profit per share<br>(Yen)<br>(Dollars)   | -          | -          | -          | -          | -          | -          |
| Capital adequacy ratio<br>(%)  | 83.40      | 79.66      | 76.60      | 77.71      | 79.40      | -          |
| Return on equity (ROE)<br>(%)  | 14.22      | 17.53      | 28.13      | 24.23      | 19.96      | -          |
| Price earnings ratio (PER)<br>(Times)  | 19.54      | 19.16      | 15.33      | 15.24      | 13.82      | -          |
| Cash flows from operating activities<br>(Millions of yen)<br>(Millions of dollars)       | 170,529    | 347,753    | 612,106    | 289,661    | 322,843    | 2,427      |
| Cash flows from investing activities<br>(Millions of yen)<br>(Millions of dollars)       | 45,353     | (188,433)  | (136,533)  | 93,699     | 111,507    | 838        |
| Cash flows from financing activities<br>(Millions of yen)<br>(Millions of dollars)       | (109,037)  | (111,031)  | (194,938)  | (337,010)  | (290,973)  | (2,187)    |
| Cash and cash equivalents at end of period<br>(Millions of yen)<br>(Millions of dollars) | ¥585,378   | ¥621,402   | ¥932,079   | ¥1,022,718 | ¥1,194,569 | USD 8,981  |
| Number of employees (Persons)  | 5,944      | 6,200      | 6,574      | 6,717      | 7,317      | -          |

- (Notes) 1. Effective from the beginning of the 82nd fiscal year (which ended March 31, 2022), the Company has adopted the “Accounting Standard for Revenue Recognition, etc. (Accounting Standards Board of Japan (ASBJ) Statement No. 29 of March 31, 2020).” The accounting standard has been applied to the major management indicators for the 82nd fiscal year onward.
2. “Diluted profit per share” is not noted because the Company has not issued any dilutive shares.
3. The Company enacted a 10-for-1 stock split of its common stock with an effective date of October 1, 2022. Net assets per share and profit per share are calculated based on the assumption that the stock split was implemented at the beginning of the 79th fiscal year.

## 2. History

|                |  |
|----------------|--|
| November 1947  | Established as Marufuku Co., Ltd. in Higashikawara-cho, Imagumano, Higashiyama-ku, Kyoto, Japan as a manufacturer/distributor of Japanese playing cards ( <i>karuta</i> ) and western playing cards.           |
| September 1949 | Changed the company's name to Marufuku Karuta Hanbai Co., Ltd.   |
| March 1950     | Changed the company's name to Nintendo Karuta Co., Ltd. and took over <i>karuta</i> manufacturing operations of Yamauchi Nintendo & Co. (currently Yamauchi Co., Ltd.)   |
| July 1951      | Changed the company's name to Nintendo Playing Card Co., Ltd.  |
| September 1959 | Moved the headquarters to 60 Kamitakamatsu-cho, Fukuine, Higashiyama-ku, Kyoto, Japan.   |
| September 1961 | Established the Tokyo Branch in Tokyo, Japan.  |
| January 1962   | Listed stock on the Second Section of the Osaka Securities Exchange and on the Kyoto Stock Exchange.   |
| October 1963   | Changed the company's name to Nintendo Co., Ltd. (current trade name).   |
| July 1970      | Stock listing was changed to the First Section of the Osaka Securities Exchange.   |
| April 1980     | Established a wholly-owned subsidiary, Nintendo of America Inc., in New York, U.S.A.   |
| February 1982  | Established a new wholly-owned subsidiary, Nintendo of America Inc. (currently a consolidated subsidiary), in Washington, U.S.A. and merged the New York subsidiary into it through an absorption-type merger. |
| July 1983      | Listed stock on the First Section of the Tokyo Stock Exchange.   |
| November 1983  | Established a new plant in Makishima-cho, Uji City, Kyoto, Japan (currently Uji Plant).  |
| February 1990  | Established a wholly-owned subsidiary, Nintendo of Europe GmbH, in Germany (currently a consolidated subsidiary).  |
| February 1993  | Established a wholly-owned subsidiary, Nintendo France S.A.R.L., in France (currently a consolidated subsidiary).  |
| November 2000  | Moved the headquarters to 11-1 Hokotate-cho, Kamitoba, Minami-ku, Kyoto, Japan (current location).   |
| July 2006      | Established a wholly-owned subsidiary, Nintendo of Korea Co., Ltd., in South Korea (currently a consolidated subsidiary).  |
| June 2016      | Transitioned to a Company with an Audit and Supervisory Committee.   |
| April 2017     | Acquired shares of JESNET Co. Ltd. and changed its trade name to Nintendo Sales Co., Ltd. (currently a consolidated subsidiary).   |
| April 2022     | Transitioned to the Prime Market from the First Section due to the market restructuring of the Tokyo Stock Exchange.   |

### 3. Description of business

In the field of home entertainment, Nintendo Co., Ltd. and its subsidiaries and associates (composed of 29 subsidiaries and five associates as of March 31, 2023), primarily engage in the development, manufacture and sales of entertainment products. Nintendo's major products are categorized into computer-enhanced "dedicated video game platforms," playing cards, *karuta* and other products. "Dedicated video game platforms" are defined as hardware and software for the handheld systems and home consoles developed by Nintendo Co., Ltd. and its subsidiaries and associates, manufactured by Nintendo Co., Ltd. and sold mainly by its subsidiaries and associates in Japanese and overseas markets.

The positions of Nintendo Co., Ltd. and its main subsidiaries and associates are described below. Segment information is omitted as Nintendo operates as a single business segment.

#### - Development

Nintendo Co., Ltd.; Nintendo Technology Development Inc.; Nintendo Software Technology Corporation; Retro Studios, Inc.; Next Level Games Inc.; Nintendo European Research and Development SAS; iQue (China) Ltd.; ND CUBE Co., Ltd.; 1-UP Studio Inc.; MONOLITH SOFTWARE INC.; Mario Club Co., Ltd.; SRD Co., Ltd.; Nintendo Pictures Co., Ltd.

#### - Manufacture

Nintendo Co., Ltd.

#### - Sales

Nintendo Co., Ltd.; Nintendo of America Inc.; Nintendo of Canada Ltd.; Nintendo of Europe GmbH; Nintendo France S.A.R.L.; Nintendo Benelux B.V.; Nintendo Ibérica, S.A.; Nintendo RU LLC.; Nintendo Australia Pty Limited; Nintendo of Korea Co., Ltd.; Nintendo (Hong Kong) Limited; Nintendo Sales Co., Ltd.

## 4. Subsidiaries and associates

### (1) Consolidated subsidiaries

| Name of company                                | Location    | Share capital or investments in capital | Description of principal business | Percentage of voting rights held by the Company | Relationship with Nintendo Co., Ltd. (the "Company") |                                  |       |   |                         |
|--|-------------|---|-----------------------------------|---|--|----------------------------------|-------|---|-------------------------|
|  |             |   |                                   |   | Concurrent positions held by directors               |                                  | Loans | Business transactions   | Leasing of fixed assets |
|  |             |   |                                   |   | Director of the Company (number)                     | Employee of the Company (number) |       |   |                         |
| Nintendo of America Inc. *1, 2                 | U.S.        | Thousands of USD 110,000                | Sales                             | 100   | -  | 1                                | -     | Purchase of products manufactured by the Company  | -                       |
| Nintendo of Canada Ltd.                        | Canada      | Thousands of CAD 4,000                  | Sales                             | 100 (100)                                       | -  | -                                | -     | Purchase of products manufactured by the Company from Nintendo of America Inc.  | -                       |
| Nintendo of Europe GmbH *1, 2                  | Germany     | Thousands of EUR 30,000                 | Sales                             | 100   | -  | 1                                | -     | Purchase of products manufactured by the Company  | -                       |
| Nintendo France S.A.R.L. *1                    | France      | Thousands of EUR 10,000                 | Sales                             | 100   | -  | -                                | -     | Purchase of products manufactured by the Company from Nintendo of Europe GmbH   | -                       |
| Nintendo Benelux B.V.                          | Netherlands | Thousands of EUR 6,800                  | Sales                             | 100   | -  | -                                | -     | Purchase of products manufactured by the Company from Nintendo of Europe GmbH   | -                       |
| Nintendo Ibérica, S.A.                         | Spain       | Thousands of EUR 3,000                  | Sales                             | 100 (100)                                       | -  | -                                | -     | Purchase of products manufactured by the Company from Nintendo of Europe GmbH   | -                       |
| Nintendo RU LLC.                               | Russia      | Millions of RUB 104                     | Sales                             | 100 (100)                                       | -  | -                                | -     | Purchase of products manufactured by the Company from Nintendo of Europe GmbH   | -                       |
| Nintendo Australia Pty Limited                 | Australia   | Thousands of AUD 8,500                  | Sales                             | 100   | -  | 1                                | -     | Purchase of products manufactured by the Company  | -                       |
| Nintendo of Korea Co., Ltd. *1                 | Korea       | Millions of KRW 25,000                  | Sales                             | 100   | -  | 4                                | -     | Purchase of products manufactured by the Company  | -                       |
| Nintendo (Hong Kong) Limited                   | China       | Thousands of HKD 49,300                 | Sales                             | 100   | -  | 3                                | -     | Purchase of products manufactured by the Company and entrusted purchase of parts for products manufactured by the Company | -                       |
| Nintendo Technology Development Inc.           | U.S.        | USD 1                                   | Development                       | 100   | 1  | 1                                | -     | Entrusted development of hardware OS etc.   | -                       |
| Nintendo Software Technology Corporation       | U.S.        | Thousands of USD 20                     | Development                       | 100   | 1  | 1                                | -     | Entrusted development of software   | -                       |
| Retro Studios, Inc. *1                         | U.S.        | Thousands of USD 10,001                 | Development                       | 100   | 1  | -                                | -     | Entrusted development of software   | -                       |
| Next Level Games Inc.                          | Canada      | Thousands of CAD 11                     | Development                       | 100   | 1  | -                                | -     | Entrusted development of software   | -                       |
| Nintendo European Research and Development SAS | France      | Thousands of EUR 300                    | Development                       | 100 (100)                                       | -  | 1                                | -     | Entrusted development of software   | -                       |
| iQue (China) Ltd. *1                           | China       | Millions of CNY 254                     | Development                       | 100   | -  | 1                                | -     | Entrusted development of software   | -                       |

| Name of company                | Location              | Share capital or investments in capital | Description of principal business | Percentage of voting rights held by the Company | Relationship with Nintendo Co., Ltd. (the "Company") |                                  |       |   |   |
|--------------------------------|-----------------------|---|-----------------------------------|---|--|----------------------------------|-------|---|---|
|                                |                       |   |                                   |   | Concurrent positions held by directors               |                                  | Loans | Business transactions                               | Leasing of fixed assets                         |
|                                |                       |   |                                   |   | Director of the Company (number)                     | Employee of the Company (number) |       |   |   |
| Nintendo Sales Co., Ltd. *1, 2 | Chiyoda-ku, Tokyo     | Millions of JPY 300                     | Sales                             | 100   | -  | 6                                | -     | Purchase of products manufactured by the Company    | Leasing of buildings, etc. owned by the Company |
| ND CUBE Co., Ltd.              | Chuo-ku, Tokyo        | Millions of JPY 483                     | Development                       | 99  | -  | 2                                | -     | Entrusted development of software                   | -   |
| 1-UP Studio Inc.               | Chiyoda-ku, Tokyo     | Millions of JPY 90                      | Development                       | 100   | -  | 3                                | -     | Entrusted development of software                   | Leasing of buildings, etc. owned by the Company |
| MONOLITH SOFTWARE INC.         | Meguro-ku, Tokyo      | Millions of JPY 75                      | Development                       | 97  | -  | 3                                | -     | Entrusted development of software                   | -   |
| Mario Club Co., Ltd.           | Higashiyama-ku, Kyoto | Millions of JPY 450                     | Development                       | 100   | -  | 4                                | -     | Entrusted inspection of software etc.               | Leasing of buildings owned by the Company       |
| SRD Co., Ltd.                  | Shimogyo-ku, Kyoto    | Millions of JPY 50                      | Development                       | 100   | -  | 2                                | -     | Entrusted development of software                   | -   |
| Nintendo Pictures Co., Ltd.    | Chiyoda-ku, Tokyo     | Millions of JPY 34                      | Development                       | 100   | -  | 3                                | -     | Entrusted planning and production of visual content | -   |

- (Notes) 1. There are five other consolidated subsidiaries not listed above.  
2. Figures in parentheses in "Percentage of voting rights held by the Company" represent the proportion of indirect ownership.  
3. Companies marked with \*1 are specified subsidiaries.  
4. Proportion of sales of consolidated subsidiaries marked with \*2, excluding inter-company transactions of sales, over total sales on a consolidated basis surpasses 10%. Major financial information is as follows.

| Name of company          | Net sales (Millions of yen) | Ordinary profit (Millions of yen) | Profit (Millions of yen) | Total net assets (Millions of yen) | Total assets (Millions of yen) |
|--------------------------|-----------------------------|-----------------------------------|--------------------------|------------------------------------|--------------------------------|
| Nintendo of America Inc. | 639,202                     | 50,554                            | 39,068                   | 396,319                            | 665,229                        |
| Nintendo of Europe GmbH  | 360,039                     | 6,034                             | 4,145                    | 72,567                             | 244,887                        |
| Nintendo Sales Co., Ltd. | 236,134                     | 12,511                            | 8,682                    | 53,991                             | 94,660                         |

| Name of company          | Net sales (Millions of dollars) | Ordinary profit (Millions of dollars) | Profit (Millions of dollars) | Total net assets (Millions of dollars) | Total assets (Millions of dollars) |
|--------------------------|---------------------------------|---------------------------------------|------------------------------|--|------------------------------------|
| Nintendo of America Inc. | 4,806                           | 380                                   | 293                          | 2,979                                  | 5,001                              |
| Nintendo of Europe GmbH  | 2,707                           | 45                                    | 31                           | 545                                    | 1,841                              |
| Nintendo Sales Co., Ltd. | 1,775                           | 94                                    | 65                           | 405                                    | 711                                |



(2) Associates accounted for using equity method

| Name of company     | Location          | Share capital or investments in capital | Description of principal business                         | Percentage of voting rights held by the Company | Relationship with the Company          |                                  |       |  |                         |
|---------------------|-------------------|---|---|---|--|----------------------------------|-------|--|-------------------------|
|                     |                   |   |   |   | Concurrent positions held by directors |                                  | Loans | Business transactions  | Leasing of fixed assets |
|                     |                   |   |   |   | Director of the Company (number)       | Employee of the Company (number) |       |  |                         |
| The Pokémon Company | Minato-ku, Tokyo  | Millions of JPY 365                     | Sales and licensing of Pokémon related goods              | 32  | 1                                      | -                                | -     | Purchase of products manufactured by the Company and entrusted manufacturing of products | -                       |
| WARPSTAR, Inc.      | Chiyoda-ku, Tokyo | Millions of JPY 10                      | Animation production and intellectual property management | 50  | -                                      | 3                                | -     | Entrusted management of merchandising rights   | -                       |
| PUX Corporation     | Osaka City, Osaka | Millions of JPY 45                      | Development of software engine and license business       | 27  | -                                      | 1                                | -     | Entrusted development of software  | -                       |

(Note) There is one associate accounted for using equity method other than the ones listed above.

## 5. Employees

Segment information is omitted as Nintendo (the Company and its consolidated subsidiaries) operates as a single business segment.

(1) Information about group

As of March 31, 2023

|                               |       |
|-------------------------------|-------|
| Number of employees (persons) | 7,317 |
|-------------------------------|-------|

(Note) Number of employees represents the number of persons employed, excluding persons seconded from the Company group to outside the Company group, but including persons seconded to the Company group from outside the Company group. It also includes part-time workers hired on a regular basis.

(2) Information about reporting company

As of March 31, 2023

| Number of employees (persons) | Average age (years) | Average length of service (years) | Average annual salary         |
|-------------------------------|---------------------|-----------------------------------|-------------------------------|
| 2,779                         | 39.9                | 14.3                              | 9,856,646 yen<br>(USD 74,110) |

(Notes) 1. Number of employees represents the number of persons employed, excluding persons seconded from the Company to outside the Company, but including persons seconded to the Company from outside the Company.

2. Average annual salary is the amount paid inclusive of tax in the fiscal year ended March 31, 2023, including extra wages and bonuses.

(3) Labor unions

Labor unions do not exist in the Company but have been formed at some of its consolidated subsidiaries. Labor-management relations have been good, and there are no particular matters to be noted.

(4) Proportion of management positions held by female workers, rate of childcare leave taken among male workers, and pay gap between male and female workers

1) Reporting company

| As of March 31, 2023   |   |  |                   |                                 | Supplemental explanation |
|--|---|--|-------------------|---------------------------------|--------------------------|
| Proportion of management positions held by female workers (%) (Note 1) | Rate of childcare leave taken among male workers (%) (Note 2) | Pay gap between male and female workers (%) (Note 1) |                   |                                 |                          |
|  |   | All workers  | Regular employees | Part-time and temporary workers |                          |
| 4.2  | 78  | 70.1   | 72.0              | 91.3                            | (Note 3)                 |

- (Notes) 1. Calculated in accordance with the provisions of the Act on Promotion of Women's Participation and Advancement in the Workplace (Act No. 64 of 2015).
2. This represents a calculation of the childcare leave uptake rate set forth under Article 71-4 (1) of the Ordinance for Enforcement of the Act on Childcare Leave, Caregiver Leave, and Other Measures for the Welfare of Workers Caring for Children or Other Family Members (Ordinance of the Ministry of Labor No. 25 of 1991), in accordance with the Act on Childcare Leave, Caregiver Leave, and Other Measures for the Welfare of Workers Caring for Children or Other Family Members (Act No. 76 of 1991).
3. The pay gap between male and female regular employees is mainly due to differences in the length of service and average age. There is no difference in treatment between men and women in terms of salary or evaluation systems.

2) Consolidated subsidiaries

| As of March 31, 2023 |   |  |  |                   |                                 | Supplemental explanation |
|----------------------|---|--|--|-------------------|---------------------------------|--------------------------|
| Name                 | Proportion of management positions held by female workers (%) | Rate of childcare leave taken among male workers (%) | Pay gap between male and female workers (%) (Note 1) |                   |                                 |                          |
|                      |   |  | All workers  | Regular employees | Part-time and temporary workers |                          |
| Mario Club Co., Ltd. | -   | -  | 74.7   | 74.7              | -                               | (Note 2)                 |

- (Notes) 1. Calculated in accordance with the provisions of the Act on Promotion of Women's Participation and Advancement in the Workplace (Act No. 64 of 2015).
2. The pay gap between male and female regular employees is mainly due to differences in the length of service and average age. There is no difference in treatment between men and women in terms of salary or evaluation systems.

## **II. Business Overview**

### **1. Management policy, management environment, issues to address**

Any forward-looking statements in the following discussion are based on the judgment of the Company group (the Company and its consolidated subsidiaries; also referred to as “Nintendo”) as of the end of the consolidated fiscal year ended March 31, 2023.

#### **(1) Basic management policy**

As an entertainment company that creates smiles, Nintendo strives to introduce new forms of entertainment while maintaining a robust corporate management. To expand our business, our highest emphasis is placed on providing consumers around the world with exciting forms of entertainment that they have never experienced before.

#### **(2) Targeted management index**

Nintendo works to constantly provide new and entertaining products and services, aiming to improve its corporate value by sustaining robust growth and increasing profit. Because Nintendo deals with entertainment products and content that naturally hold many uncertainties in terms of research and development, we have not set any specific management index targets. This allows our corporate decision-making to stay flexible in this highly competitive industry.

#### **(3) Management environment, mid- to long-term corporate business strategy and priority business and financial issues to address**

Regarding the market environment surrounding the Company group, amid growing demand for entertainment among people around the world, not only has the diversification of entertainment continued alongside advances in technology, but competition is also intensifying further as more companies enter the game industry.

Amid such changes in the environment, as an entertainment company that creates smiles, the Company group aims to offer its unique and original brand of play that anyone and everyone can intuitively enjoy. To enable unique entertainment experiences, we place our dedicated video game platform business – integrating both hardware and software – at the center of everything we do. We understand that all entertainment eventually loses its appeal, so we continually work to provide new and original products and services for people everywhere.

To continue growing our core business, the Company group’s fundamental strategy is to expand the number of people who have access to Nintendo IP. To this end, we seek to broaden the touch points for Nintendo IP with consumers in areas beyond dedicated video game platforms. This includes applications for smart devices, which are ubiquitous throughout the world, as well as visual content, theme parks, and character-based merchandise. Through these efforts, we will strive to create opportunities for more consumers to become interested in gaming experiences.

In addition, we work to strengthen the touch points and develop a long-term relationship with each of our consumers, with Nintendo Account as the connection that spans platform generations and unites a variety of entertainment experiences, centered on our integrated hardware-software entertainment.

Based on our belief that the true value of entertainment lies in its uniqueness, Nintendo will strive to achieve sustainable growth and increase our corporate value by offering unique entertainment that plays to the company’s strengths, continuing to adapt to the times and cherish the spirit of creativity.

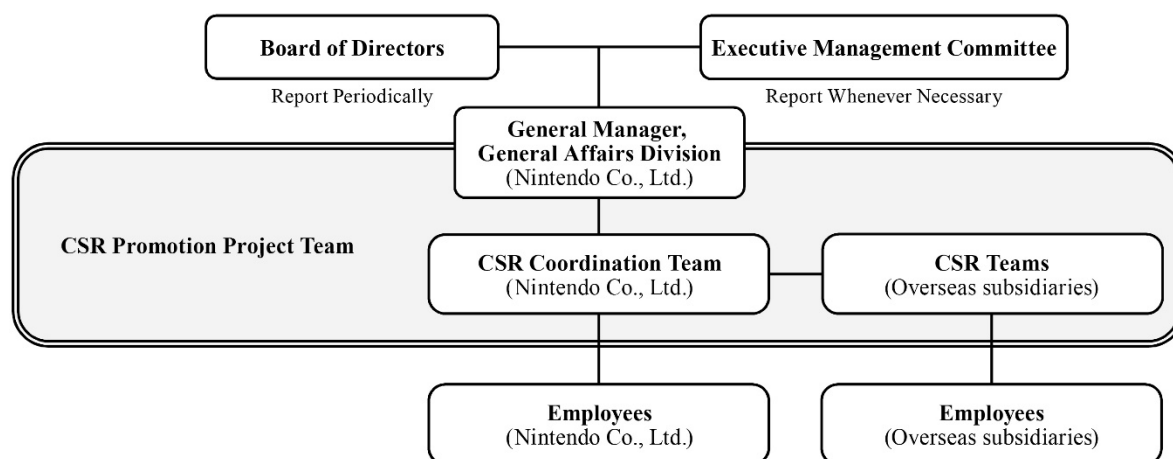
## 2. Approach to and initiatives for sustainability

The Company group (the Company and its consolidated subsidiaries) is engaged in group-wide efforts to address issues associated with sustainability, with the goal of “putting smiles on the faces of everyone Nintendo touches.” As part of this, the Company group is working to promote CSR activities focusing on the four priority areas of “consumers,” “supply chain,” “employees” and “environment.” These initiatives encompass improving product quality and ensuring product safety, creating an environment where children can play with peace of mind, promoting CSR procurement through communication with suppliers, building a work environment where employees can realize their various capabilities and reducing the environmental impact of the group’s products and business activities.

The forward-looking statements in this section are based on the judgment of the Company group as of March 31, 2023.

### (1) Governance

The Company has established the CSR Coordination Team, headed by the General Manager of the General Affairs Division, who is an Executive Officer, to promote CSR activities. A framework is in place where the team reports on the status of activities to the Executive Management Committee (which consists of Representative Directors and Directors who are Executive Officers) as well as implementing or supporting specific initiatives. The team also periodically reports on the status of its activities to the Board of Directors.



### (2) Strategy

The initiatives undertaken to address each priority area are as follows.

#### 1) Consumers

The Company group aims to offer high-quality products that consumers across a wide range of age groups can enjoy with peace of mind. Product safety and reliability are our key objectives.

We have established the Product Safety Committee and work to ensure that employees thoroughly understand the Product Safety and Quality Principles as a framework to ensure product safety. The Product Safety Committee ensures the safety of products at every stage, from development all the way through production, sales and after-sales service. The committee works continuously to effectively manage, maintain and improve our initiatives. In addition, to ensure that consumers can enjoy Nintendo’s game software and services with peace of mind, we strive to prioritize safety in game software development and eliminate inappropriate content in communication features, as well as spread awareness of and promote the use of features that enable parents and guardians to limit children’s usage.

#### 2) Supply chain

We work with our numerous production partners in Japan and around the world to improve quality and technical capability, ensure safety and achieve production efficiency throughout the supply chain.

We have also established the basic procurement and business partner selection policies to promote production that complies with laws, regulations and social standards, while taking into account human rights and local communities. We have also created these policies to build trust with our business partners so that we can fulfill our social responsibilities collaboratively. Specifically, we also work with our business partners for their understanding of and cooperation with the policies of the Company group, and ensure widespread awareness and understanding of the Nintendo CSR Procurement Guidelines, which sets forth specific policies on respect for workers’ human rights, occupational health and safety, and the non-use of

inappropriate raw materials.

### 3) Employees

We are engaged in the following initiatives related to human resources development, including securing diverse talent and enhancing workplace environments.

#### (a) Initiatives related to human resources development, including securing diverse talent

To bring smiles to people through entertainment, we continue to provide Nintendo's unique and original brand of play to consumers around the world.

To this end, our people are our most important asset when considering management resources, and we regard enhancing the collective strength of the company by boosting each employee's abilities while continuously raising their work satisfaction as an important aspect of our approach to human resources. We continue to nurture the Nintendo DNA (originality, flexibility and sincerity), the core values that have been passed down through our history, as our key strength.

As our consumers' interests and preferences continue to diversify in the world of entertainment, leveraging a diverse workforce is crucial for raising the collective strength of the company. At Nintendo, we actively hire and promote talent regardless of factors such as sex, age, nationality, disability, sexual orientation or gender identity. Based on our view that much can be learned from work experience, we aim not only to enhance the knowledge and specialized skills of each employee but also to help our people to accumulate work experience born of collaboration with others. In this way, we strive to cultivate individuals who act independently as active participants, continue to challenge themselves while flexibly handling change, and are able to gain understanding from and empathize with others around them.

#### (b) Policy for enhancing workplace environments

To create something unprecedented and fascinating, we believe it is of primary importance that we have internal environments that help our employees to come together for discussion, exchange ideas and opinions, and obtain timely advice. We encourage internal communication to facilitate close teamwork that leverages individual strengths with an emphasis on the connections between people, and strive for deeper collaboration.

We are also aware of the importance of creating environments where female employees can perform to their full potential. We actively work to enhance support systems and encourage the use of childcare leave, including for male employees who help with child-rearing.

### 4) Environment

At Nintendo, we are working to pass on a better environment to future generations. This not only includes efforts to make our offices environmentally friendly, such as the use of renewable energy and energy conservation activities but also work to reduce environmental impact through a wide range of initiatives spanning the design stage to post-sales repair and support through to recycling. More specifically, we have implemented environmental measures at each stage from design to after-sales service, such as creating designs that consider energy and resource efficiency, selecting easy-to-recycle packaging materials, implementing efficient transportation and providing after-sale repairs and support to enable long-term enjoyment of our products. Regarding climate change, we have identified our risks and opportunities based on 1.5°C and 4.0°C global warming scenarios, evaluated the relevant financial impact and engaged in information disclosure in accordance with the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD). We will continue to work to address climate change.

### (3) Risk management

We have established the issues to focus on in our CSR activities as priority areas. The CSR Coordination Team and CSR promotion leads at our major group companies have, with reference to international standards such as the GRI Standards, considered and evaluated the risks and opportunities for these priority areas and pinpointed the issues using the two axes of social impact and impact on the business of the Company group.

The priority areas and their relevant action plans for each fiscal year are reported to the Executive Management Committee. The CSR Coordination Team confirms the priority areas and action plans annually and reviews them as necessary to respond flexibly to social and environmental changes.

### (4) Metrics and targets

We have set goals to maintain 100% use\* of childcare leave by women and increase the percentage of men utilizing childcare leave to 50% or more in terms of cumulative totals over a five-year period beginning in the fiscal year ended March 31, 2022. Not all Nintendo group companies have established metrics and targets, so

it is not possible to present group-wide information. Therefore, only the Company's targets and results are presented for the metrics shown below.

| Metric   | Target  | Result (fiscal year ended March 31, 2023)                             |
|--|---|---|
| Rate of childcare leave taken among female employees | Maintain a rate of 100%* on a cumulative basis for the five years from the fiscal year ended March 31, 2022 | 106% on a cumulative basis since the fiscal year ended March 31, 2022 |
| Rate of childcare leave taken among male employees   | 50% or more on a cumulative basis for the five years from the fiscal year ended March 31, 2022              | 72% on a cumulative basis since the fiscal year ended March 31, 2022  |

\* The rate of childcare leave taken is calculated as the ratio of employees who began taking childcare leave during the respective fiscal year to those with a child born during the same fiscal year, and therefore may be more or less than 100%.

### 3. Risk factors

Listed below are the various risks that could affect the Company group's operating results, share price and financial condition. However, unpredictable risks may exist other than the risks set forth herein. Note that matters pertaining to the future presented herein are determined by Nintendo as of the end of the fiscal year ended March 31, 2023.

(1) Risks around economic environment

- Fluctuation in foreign exchange rates

Nintendo distributes its products globally with overseas sales accounting for more than 70% of its total sales, and the majority of monetary transactions are made in local currencies. In addition, the Company holds a substantial amount of assets in foreign currencies; fluctuations in foreign exchange rates have a strong influence not only when accounts in foreign currencies are converted to yen-denominated assets but also when they are revaluated for financial reporting purposes. Therefore, if there are significant fluctuations in foreign exchange rates, Nintendo's financial position, operating results and cash flows could be adversely affected.

In order to reduce the influence of fluctuations in foreign exchange rates, Nintendo purchases in foreign currencies on an ongoing basis.

(2) Risks around business activities

- Fluctuation of market environment and competition against other companies

Nintendo's core business is engaged in one segment of the broader entertainment field. However, its business is also affected by a variety of other entertainment trends. If consumer preferences shift to other forms of entertainment, the video game market may shrink. The emergence of new competitors resulting from technological innovation could have a significant impact as well. In the video game industry, it may become even more difficult to be profitable due to large investments required in research and development and marketing. In addition, competition may intensify with large-scale companies doing business in the same industry or in other segments of the entertainment industry. Furthermore, if Nintendo is unable to adapt to rapid structural changes or other changes, its financial position, operating results and cash flows could be adversely affected.

As an entertainment company that creates smiles, the Company group aims to offer its unique and original brand of play that anyone and everyone can intuitively enjoy. To enable unique entertainment experiences, we place our dedicated video game platform business – integrating both hardware and software – at the center of everything we do, and work to provide new and original products and services for people everywhere. To continue growing our core business, the Company group's fundamental strategy is to expand the number of people who have access to Nintendo IP. To this end, we seek to broaden the touch points of Nintendo IP with consumers in areas beyond dedicated video game platforms and create opportunities for more people to become interested in gaming experiences. In addition, we work to develop a long-term relationship with each of our consumers through Nintendo Account.

- Development of new products

Despite the substantial costs and time needed for development of software for dedicated video game platforms and applications for smart-device gaming services, there is no guarantee that all new products and services will be accepted by consumers due to ever shifting preferences. As development of hardware is time-consuming, with technology continuously advancing, Nintendo may not be able to readily acquire technologies required for entertainment. Furthermore, delays of product launches could adversely affect market share.

In addition, due to the nature of Nintendo products and services, it may be difficult to develop products and services as planned in some cases, making it impossible to sell or launch the products and services as planned. Moreover, development may be suspended or aborted, and the original plan could differ to a large extent.

In the field of computer entertainment, the development process is complicated and includes many uncertainties; therefore, if Nintendo is unable to deal with the above risks, its financial position, operating results and cash flows could be adversely affected.

Nintendo continuously strives to develop unique and attractive new products.

- Product valuation and adequate inventory procurement

Given that general products in the video game industry have relatively short life cycles, and are significantly impacted by consumer preferences as well as seasonality, excess inventory and obsolete inventory could have an adverse effect on Nintendo's financial position, operating results and cash flows.

Business opportunities could be missed if supply to the market falls short of the necessary quantity due to difficulties in accurately forecasting demand. At Nintendo, projected production is conducted and sales of downloadable versions of software are promoted in order to guarantee supply based on forecasted demand.

- **Dependency on outside manufacturers**  
 Nintendo commissions outside companies to produce key components and assemble finished products. In the event one or more of these outside companies go bankrupt, Nintendo may have difficulty procuring key components or manufacturing its products. In addition, suppliers may be unable to provide necessary components on a timely basis. A shortage of key components could cause issues such as marginal decline due to higher costs, shortage of products and quality control issues. These issues may impair the relationship between Nintendo and its customers. Furthermore, as many suppliers' production facilities are located overseas, a decline in local public safety, natural disasters, epidemics or any other incidents, or other issues specific to the area could interrupt production and negatively affect Nintendo's operating performance.  
 Regarding production, Nintendo hedges risks by procuring parts and materials from and outsourcing production to multiple companies in most cases. For important components, we have identified all processes, places of production, persons in charge, etc. and have a management system in place which, even in the unlikely event of an unforeseeable incident, will enable us to get a grasp of the status of damage caused by the accident and take an alternative action as swiftly as possible.
  - **Business operations affected by seasonal fluctuation**  
 Demand for Nintendo's products is largely focused on the year-end sales season, New Year season, etc., so our business performance fluctuates accordingly. Should Nintendo fail to release attractive new products or supply products on time during that period, operating performance could be adversely affected.  
 Nintendo strives to achieve stable performance throughout the year through measures such as developing games that consumers will continue to play long after they are released and providing paid services in its digital business that can be enjoyed on a continuing basis.
  - **System issues**  
 Nintendo provides various services via the internet, including online games and download sales of digital software, in addition to providing information. However, in the event of the termination or destruction of the operating systems, or the leakage or unauthorized use of data, etc. as a result of a cyber-attack against servers, a natural disaster or an accident, it could have an adverse effect on Nintendo's future operating results, share price and financial condition.  
 Considering that networking functions are becoming increasingly important in the Company's business, Nintendo is enhancing assigned in-house resources, hiring necessary human resources, collaborating with outside expert firms and making other such efforts to strengthen its capabilities to deal with system issues.
  - **Various factors affecting business activities**  
 In addition to Japan, Nintendo engages in business in the United States, Europe, Australia, Asia and other areas of the world. Domestic and overseas business activities involve risks such as disadvantages from emergence of political or economic factors, disadvantages from inconsistency of multilateral taxation systems and diversity of tax law interpretation, difficulty in recruiting and securing human resources, labor disputes such as strikes, and social disruption resulting from terror attacks, war and other catastrophic events. If the development, manufacture, distribution, sales, etc. of products and services are hindered, Nintendo's financial position, operating results and cash flows could be adversely affected.  
 Nintendo will take necessary measures on an ongoing basis.
- (3) **Risks around legal regulations and litigation**
- **Product liability**  
 Nintendo develops and manufactures its products in accordance with applicable safety and quality control standards in locations of sale. However, large-scale product recalls may take place should a defect occur, given that its products are sold worldwide. Also, a product defect resulting in product liability compensation could lead to additional expenses and impact the Company's reputation, and has the potential to adversely impact Nintendo's future operating performance and financial position.  
 With full awareness of product liability, Nintendo will continue to proactively work on quality control and quality assurance of products in terms of design, manufacturing and ancillary services.
  - **Limitations of enforcing intellectual property rights**  
 Although Nintendo has continued to accumulate various intellectual properties which enable the differentiation of its offerings from others, there are geographical regions in which it is difficult to effectively address unauthorized uploading via the internet and counterfeit products, which may have a negative impact on Nintendo's future operating performance and financial position.  
 Nintendo will take necessary measures on an ongoing basis.
  - **Unauthorized system access and leakage of confidential information**  
 Nintendo possesses personal information about its consumers, as well as confidential information concerning



development and business operations. If such personal information or confidential information were ever leaked outside of Nintendo, due to a breach or other unauthorized access or disclosure, it could have an adverse effect on Nintendo's future operating performance, share price and financial condition. Nintendo will take necessary measures on an ongoing basis.

- Changes in laws and regulations, etc.

Unpredicted enactment of or changes in laws and regulations, as well as adoptions of or changes in accounting standards or taxation systems could have an effect on Nintendo's performance and financial position. In addition, conflict of views between Nintendo and the tax authorities regarding tax returns may result in additional tax expenses.

Nintendo keeps up to date with information released by government agencies and other external organizations through websites, etc. In addition, Nintendo collects information by participating in seminars hosted by external organizations and subscribing to specialized journals, etc. and conducts various studies in the lead-up to the implementation of changes in laws and regulations, etc.

- Litigation, etc.

Nintendo's operations in Japan and overseas may be subject to litigation, disputes and other legal procedures, which could adversely affect Nintendo's operating performance and financial position.

Nintendo is taking various measures to reduce the risk of litigation.

(4) Other risks

Other than the risks set forth above, factors such as uncollectible notes and accounts receivable - trade, collapse of financial institutions, environmental regulations, impairment of the corporate brand due to unforeseen circumstances, changes in the political situation, rapid climate change, natural disasters or epidemics may adversely affect Nintendo's operating performance and financial position.

Nintendo will take necessary measures on an ongoing basis.

#### 4. Analysis of financial position, operating results and cash flow by management

The description of the financial position, operating results and cash flow of Nintendo (the Company and its consolidated subsidiaries) in the fiscal year ended March 31, 2023 (“operating results, etc.”) and the understanding, analysis and examination of Nintendo’s operating results, etc. from the management’s viewpoint are as follows.

Any forward-looking statements contained in the following overview are made based on information available as of the end of the fiscal year ended March 31, 2023.

Segment information is omitted as Nintendo operates as a single business segment.

##### (1) Assumptions used in important accounting procedures and estimates

Consolidated financial statements of Nintendo are prepared in accordance with accounting standards generally accepted in Japan. In preparing such statements, estimates that may affect the value of assets, liabilities, revenue and expenses are made based on the accounting procedures selected and adopted by management. Management sets appropriate assumptions based on past results and the likelihood of future events to make estimates in a reasonable fashion, but uncertainties inherent to such estimates may cause the actual results to be different from these estimates. Important accounting estimates and assumptions adopted in the consolidated financial statements of Nintendo are detailed in the section “V. Financial Information, Consolidated financial statements, etc., Notes to Consolidated Financial Statements (Significant accounting estimates).”

##### (2) Operating results, etc.

###### (i) Description and analysis of results

Looking at the Nintendo Switch business for the fiscal year ended March 31, 2023, good sales were posted for *Pokémon Scarlet* and *Pokémon Violet*, which recorded total sales of 22.10 million units, and for *Splatoon 3*, which sold 10.67 million units. Other new titles released during the period also performed well, with *Nintendo Switch Sports* selling 9.60 million units. Among titles released through the end of the previous fiscal year, *Mario Kart 8 Deluxe* sold 8.45 million units (for cumulative sales of 53.79 million units), and *Kirby and the Forgotten Land* sold 3.81 million units (for cumulative sales of 6.46 million units). As a result, there were 35 titles that sold over a million units during the period, including titles from other software publishers.

As for hardware, units sold declined 22.1% year-on-year to 17.97 million units, as shortages of semiconductors and other components impacted production until around the end of summer, and we did not experience the growth in sales mainly during the holiday season that we saw in the previous fiscal year. The sales situation for software remained stable, but unit sales declined 9.0% year-on-year to 213.96 million units, affected to some extent by the decline in hardware sales.

Turning to the digital business for our dedicated video game platform, in addition to the impact of the depreciation of the yen, sales of the downloadable versions of packaged software for Nintendo Switch performed well, and revenue related to Nintendo Switch Online increased, helping to push digital sales to ¥405.2 billion (USD 3,046 million), up 12.7% year-on-year.

Income from royalties increased, but income from smart-device content declined, with the result that overall sales in our mobile and IP related business totaled ¥51.0 billion (USD 383 million), down 4.3% year-on-year.

Nintendo’s management policy, management strategy, etc. are as described in “II. Business Overview, 1. Management policy, management environment, issues to address.” The presence or lack of hit products and their sales volumes are deemed to have a significant impact on operating results, etc., as described in “II. Business Overview, 4. Analysis of financial position, operating results and cash flow by the management, (4) Factors which have a significant impact on operating results, etc.”

(ii) Description and analysis of operating results

Net sales, operating profit, ordinary profit and profit attributable to owners of parent in the fiscal year ended March 31, 2023 decreased from the previous fiscal year.

Net sales reached ¥1,601.6 billion (USD 12,042 million; a decrease of 5.5% year-on-year), of which overseas sales were ¥1,236.0 billion (USD 9,293 million; a decrease of 7.5% year-on-year, and 77.2% of total sales). While operating profit came to ¥504.3 billion (USD 3,791 million; a decrease of 14.9% year-on-year), ordinary profit was ¥601.0 billion (USD 4,518 million; a decrease of 10.4% year-on-year) due to a decrease in foreign exchange gains and other factors. Profit attributable to owners of parent totaled ¥432.7 billion (USD 3,253 million; a decrease of 9.4% year-on-year).

(Net sales and operating profit)

Net sales decreased from the previous fiscal year by ¥93.6 billion (USD 703 million) to ¥1,601.6 billion (USD 12,042 million; a decrease of 5.5% on a year-on-year basis). Gross profit decreased from the previous fiscal year by ¥60.6 billion (USD 455 million) to ¥885.4 billion (USD 6,657 million; a decrease of 6.4% on a year-on-year basis). Due to such factors as the increase in research and development expenses and advertising expenses, selling, general and administrative expenses increased from the previous fiscal year by ¥27.7 billion (USD 208 million), resulting in an operating profit of ¥504.3 billion (USD 3,791 million; a decrease of 14.9% on a year-on-year basis).

(Non-operating income and expenses, and ordinary profit)

Net non-operating income was ¥96.6 billion (USD 726 million) due to such factors as the accrual of foreign exchange gains and the recording of share of profit of entities accounted for using equity method related to The Pokémon Company and other investments. As a result, ordinary profit was ¥601.0 billion (USD 4,518 million; a decrease of 10.4% on a year-on-year basis).

(Profit attributable to owners of parent)

Profit attributable to owners of parent was ¥432.7 billion (USD 3,253 million; a decrease of 9.4% on a year-on-year basis), mainly due to the decrease in ordinary profit from the previous fiscal year.

(iii) Description and analysis of financial position

(Total assets)

Total assets increased by ¥191.8 billion (USD 1,442 million) compared to the previous fiscal year-end to ¥2,854.2 billion (USD 21,460 million).

This was mainly due to the increase in cash and deposits attributable to such factors as the receipt of proceeds through operating activities and the effect of the depreciation of the yen, in addition to some of them being held in the form of short-term investment securities.

(Total liabilities)

Total liabilities decreased by ¥5.2 billion (USD 39 million) compared to the previous fiscal year-end to ¥587.8 billion (USD 4,419 million).

This was mainly due to the decrease in income taxes payable, despite an increase in advances received mainly associated with the expansion of the digital business and other related activities.

(Net assets)

Net assets increased by ¥197.1 billion (USD 1,481 million) compared to the previous fiscal year-end to ¥2,266.4 billion (USD 17,040 million).

This was mainly due to the posting of profit attributable to owners of parent in the amount of ¥432.7 billion (USD 3,253 million) and the payment of dividends of surplus in the amount of ¥238.7 billion (USD 1,794 million).

(iv) Description and analysis of cash flows

The ending balance of “Cash and cash equivalents” (collectively, “Cash”) as of March 31, 2023 was ¥1,194.5 billion (USD 8,981 million), with an increase of ¥171.8 billion (USD 1,291 million) during the fiscal year. During the previous fiscal year, there was an increase of ¥90.6 billion. Net increase (decrease) of Cash and contributing factors during the fiscal year ended March 31, 2023 are as follows:

Cash flows from operating activities:

With respect to cash flows from operating activities, there were decreasing factors contributing to ¥600.7 billion (USD 4,516 million) of profit before income taxes mainly such as payments of income taxes and an increase in inventories. However, due to increasing factors such as a decrease in trade receivables, net cash resulted in an increase of ¥322.8 billion (USD 2,427 million) compared to an increase of ¥289.6 billion during the previous fiscal year.

Cash flows from investing activities:

Net cash from investing activities increased by ¥111.5 billion (USD 838 million) compared to an increase of ¥93.6 billion during the previous fiscal year mainly due to proceeds from withdrawal of time deposits and sale and redemption of short-term and long-term investment securities being greater than payments into time deposits and purchase of short-term and long-term investment securities.

Cash flows from financing activities:

Net cash from financing activities decreased by ¥290.9 billion (USD 2,187 million) compared to a decrease of ¥337.0 billion during the previous fiscal year mainly due to payments of cash dividends and purchase of treasury shares.

(3) Production, orders received and sales information

(i) Production results

Production results in the fiscal year ended March 31, 2023 were as follows. As Nintendo operates as a single business segment, the information is presented by product type.

| Type                          | Amount            |                       | Year-on-year increase (decrease)<br>(%) |
|-------------------------------|-------------------|-----------------------|---|
|                               | (Millions of yen) | (Millions of dollars) |   |
| Dedicated video game platform |                   |                       |   |
| Nintendo Switch platform      | 1,213,299         | 9,122                 | (5.8)                                   |
| Others                        | 15,728            | 118                   | (3.5)                                   |
| Subtotal                      | 1,229,028         | 9,240                 | (5.8)                                   |
| Playing cards, etc.           | 4,719             | 35                    | 1,418.2                                 |
| Total                         | 1,233,748         | 9,276                 | (5.4)                                   |

(Note) The above amounts are calculated based on the selling price.

(ii) Order-receiving status

Information on orders received is omitted as production is based on make-to-stock production, other than make-to-order production mainly for some software for dedicated video game platforms.

(iii) Sales results

Sales results in the fiscal year ended March 31, 2023 were as follows. As Nintendo operates as a single business segment, the information is presented by product type.

| Type                            | Amount            |                       | Year-on-year increase (decrease)<br>(%) |
|---------------------------------|-------------------|-----------------------|---|
|                                 | (Millions of yen) | (Millions of dollars) |   |
| Dedicated video game platform   |                   |                       |   |
| Nintendo Switch platform        | 1,509,202         | 11,347                | (5.8)                                   |
| Others                          | 35,718            | 268                   | (2.1)                                   |
| Subtotal                        | 1,544,920         | 11,615                | (5.8)                                   |
| Mobile, IP related income, etc. | 51,067            | 383                   | (4.3)                                   |
| Playing cards, etc.             | 5,689             | 42                    | 105.1                                   |
| Total                           | 1,601,677         | 12,042                | (5.5)                                   |

(4) Factors which have a significant impact on operating results, etc.

Nintendo operates as a business in the field of home entertainment, in which the presence or lack of hit products and their sales volumes may have a significant impact on its operating results, etc. In addition, the field of entertainment is wide in scope, and any non-gaming propositions which gain popularity that provide consumers with more entertainment value and surprises may also have an impact.

More than 70% of Nintendo's total sales are generated in markets outside of Japan, with most transactions carried out in local currencies. While Nintendo makes U.S. dollar-based purchases and purchases in other currencies on an ongoing basis in order to reduce the impact of exchange rate fluctuations, it is difficult to completely eliminate the related risk. As a result, exchange rate fluctuations may have an impact on Nintendo's financial performance.

While dedicated video game platforms and their compatible software, which are Nintendo's main products, represent a majority of total sales, hardware and software have very different profit margins, and fluctuations of their proportions of the total sales may have an impact on gross profit and the gross profit percentage to sales.

In addition, there may be other fluctuating factors as described in "II. Business Overview, 3. Risk factors."

(5) Financial source of capital and liquidity of funds

As of the end of the consolidated fiscal year ended March 31, 2023, the current ratio is 434%, and the ratio of total liabilities to cash and cash equivalents is 2.0 times.

Nintendo maintains retained earnings that are necessary in order to adapt to changes in the business environment and to pursue further business expansion, etc. in the future.

Major components of the working capital requirements include purchase expenses of materials and parts for manufacturing, advertising expenses and research and development expenses, and dividend and income tax payments. Moreover, it is Nintendo's basic policy to internally provide the capital necessary to fund future growth, including capital investments. Nintendo ensures self-financing by cash flows from operating activities including sales of dedicated video game platforms, etc. Nintendo's approach to shareholder returns is as explained in "IV. Profile of the Company, 3. Dividend policy" and specific plans for capital investments are as described in "III. Equipment and Facilities, 3. Plans for new installation and retirement of equipment and facilities, etc."

During the launch periods of new products and the year-end sales season, there may be temporary increases in notes and accounts receivable - trade, notes and accounts payable - trade and inventories, which may have an upward or downward impact on net cash provided by or used in operating activities.

Payments into or withdrawals from time deposits with maturities of more than three months, as well as timing of acquisition or sale of short-term investment securities, may have an upward or downward impact on net cash provided by or used in investing activities.

## 5. Material contracts, etc.

Not applicable.

## 6. Research and development activities

Nintendo (the Company and its consolidated subsidiaries) primarily engages in the active development of hardware and software for dedicated video game systems, with support from various companies and organizations, in its effort to put smiles on the faces of everyone Nintendo touches around the world by offering new and compelling products that anyone can enjoy. We also utilize Nintendo IP, focusing on the production of products such as those related to amiibo and visual content, and undertake the planning, development and operation of games that many people around the world can enjoy in the form of smart-device applications.

With respect to hardware, we continuously investigate and undertake research on underlying technologies spanning data storage technology such as semiconductor memory, display technology such as liquid crystal displays, and electronic components. We also carry out research and development activities to examine the applicability of various technologies to the field of home entertainment including interfaces such as touch panels and sensors, networks such as wireless communication, security, cloud computing, virtual reality (VR), augmented reality (AR) and mixed reality (MR), deep learning and big data analysis. Our efforts are not limited to in-house studies and research and we are also exploring various possibilities on a daily basis to discover technologies that will help create new ways to play by proactively turning our attention outside Nintendo. Moreover, we continue to enhance the durability, safety, quality and performance of our products to ensure that consumers can comfortably enjoy them over an extended period, in addition to designing and developing various accessories and pursuing cost-cutting initiatives.

With respect to software, we take full advantage of hardware features in planning our products, and focus on game design and program development that leverages graphics, music and game scripts, and developing programs.

Furthermore, in order to enable digital business expansion, we have strongly driven the expansion of system infrastructure that supports network services in multiple areas, including the various network features of each software title and Nintendo eShop. In addition, we have established a research and development structure for smart-device software, and promote the planning and development of smart-device applications and the development of a back-end server system.

Regarding our parts procurement and manufacturing processes, in addition to promoting the mass production of parts that employ new test methods and technologies, we also research and accumulate knowledge pertaining to relevant laws and regulations with the cooperation and support of our manufacturing partners.

To pass on a better environment to future generations, we not only strive to be environmentally conscious in our offices, but also work to develop our products while always being mindful to reduce our environmental impact through efforts such as considering energy efficiency in design, selecting components and materials with low environmental impact, and choosing packaging materials that are easy to recycle.

Research and development expenses for the fiscal year were ¥110.0 billion (USD 827 million), with the outcomes of major research and development activities described below. Segment information is omitted since we operate as a single business segment.

For Nintendo Switch hardware, we introduced firmware updates to enhance convenience and operational stability, released various special editions of game systems and accessories, and made ongoing improvements to the software development environment and various network services. As for compatible software, we released *Nintendo Switch Sports*, a motion-controlled game that enables anyone to easily enjoy sports anytime, with intuitive controls using the Joy-Con motion sensor. We also released *Mario Strikers: Battle League*, a soccer-like fighting game in which players can use unique and unconventional actions such as two-point shots and teammate tackles. Other titles released include *Splatoon 3*, *Fire Emblem Engage*, and *Xenoblade Chronicles 3*, the latest entries in their respective series, as well as other titles such as *Metroid Prime Remastered* and *Kirby's Return to Dream Land Deluxe*.

In our mobile business, we run services on an ongoing basis for game applications such as *Fire Emblem Heroes*, *Animal Crossing: Pocket Camp*, and *Mario Kart Tour*.

For Nintendo Switch Online, a service that enables consumers to enjoy online competitive and cooperative play and various other services on Nintendo Switch, the Game Boy – Nintendo Switch Online service was introduced. We also started offering Game Boy Advance – Nintendo Switch Online for the Nintendo Switch Online + Expansion Pack membership plan, in addition to adding more titles to the Nintendo Entertainment System – Nintendo Switch Online, Super NES – Nintendo Switch Online, and other services. We continued reviewing the specifications for the various services based on Nintendo Account and making ongoing improvements.

In addition, on Nintendo Developer Portal, a dedicated website for game creators working on Nintendo platforms, we offer ongoing support for developers, including individuals, to deliver new entertainment to consumers around the world.

On top of these efforts, Nintendo continues to engage in the development of various products and services for the future, including new products that improve people's QOL (Quality of Life) in enjoyable ways.

### III. Equipment and Facilities

#### 1. Overview of capital investments

Nintendo develops, manufactures and sells entertainment products, and in the fiscal year ended March 31, 2023, it invested ¥33,933 million (USD 255 million), which was mainly used for research and development facilities, and included intangible assets such as computer software for internal use.

Regarding the required funds, all of the capital investments were self-financed and we did not raise external financing. Segment information is omitted as Nintendo operates as a single business segment.

#### 2. Major facilities

Major facilities are as follows. As Nintendo (the Company and its consolidated subsidiaries) operates as a single business segment, the information is presented on a business-by-business basis.

##### (1) Reporting company

As of March 31, 2023

| Principal places of business<br>(Location)                                  | Description of<br>business                                 | Description<br>of<br>equipment<br>& facilities | Book value (Millions of yen)   |   |   |                                     |       |        | Number of<br>employees<br>(persons) |
|---|--|--|--------------------------------|---|---|-------------------------------------|-------|--------|-------------------------------------|
|   |  |  | Buildings<br>and<br>structures | Machinery,<br>equipment<br>and vehicles | Land<br>(area:<br>thousands<br>of square<br>meters) | Tools,<br>furniture<br>and fixtures | Other | Total  |                                     |
| Uji Plant<br>(Uji City, Kyoto Prefecture)                                   | Manufacturing  | Production<br>facilities                       | 2,351                          | 221                                     | 1,866<br>(25)                                       | 59                                  | 1     | 4,499  | 129                                 |
| Head Office<br>(Minami-ku, Kyoto<br>Prefecture)                             | Administration,<br>sales,<br>development,<br>manufacturing | Other<br>facilities                            | 17,793                         | 80                                      | 22,160<br>(67)                                      | 1,676                               | 8,038 | 49,750 | 2,500                               |
| Tokyo Branch Office *1, 2<br>(Chiyoda-ku, Tokyo)                            | Administration,<br>sales,<br>development                   | Other<br>facilities                            | 1,187                          | 0                                       | -<br>(-)  | 135                                 | 195   | 1,518  | 150                                 |
| Asset leased to Nintendo<br>Sales Co., Ltd.<br>(Uji City, Kyoto Prefecture) | Sales  | Other<br>facilities                            | 884                            | 0                                       | 4,079<br>(9)  | 1                                   | -     | 4,964  | -                                   |
| Asset leased to Nintendo<br>Sales Co., Ltd.<br>(Kita-ku, Osaka Prefecture)  | Sales  | Other<br>facilities                            | 754                            | -                                       | 5,763<br>(1)  | 5                                   | -     | 6,523  | -                                   |
| Nintendo Gallery (tentative<br>name)<br>(Uji City, Kyoto Prefecture)        | Other  | Other<br>facilities                            | 78                             | -                                       | 37<br>(14)  | 0                                   | 5,825 | 5,941  | -                                   |

| Principal places of business<br>(Location)                                  | Description of<br>business                                 | Description<br>of<br>equipment<br>& facilities | Book value (Millions of dollars) |   |   |                                     |       |       | Number of<br>employees<br>(persons) |
|---|--|--|----------------------------------|---|---|-------------------------------------|-------|-------|-------------------------------------|
|   |  |  | Buildings<br>and<br>structures   | Machinery,<br>equipment<br>and vehicles | Land<br>(area:<br>thousands<br>of square<br>meters) | Tools,<br>furniture<br>and fixtures | Other | Total |                                     |
| Uji Plant<br>(Uji City, Kyoto Prefecture)                                   | Manufacturing  | Production<br>facilities                       | 17                               | 1                                       | 14<br>(25)  | 0                                   | 0     | 33    | 129                                 |
| Head Office<br>(Minami-ku, Kyoto<br>Prefecture)                             | Administration,<br>sales,<br>development,<br>manufacturing | Other<br>facilities                            | 133                              | 0                                       | 166<br>(67)   | 12                                  | 60    | 374   | 2,500                               |
| Tokyo Branch Office *1, 2<br>(Chiyoda-ku, Tokyo)                            | Administration,<br>sales,<br>development                   | Other<br>facilities                            | 8                                | 0                                       | -<br>(-)  | 1                                   | 1     | 11    | 150                                 |
| Asset leased to Nintendo<br>Sales Co., Ltd.<br>(Uji City, Kyoto Prefecture) | Sales  | Other<br>facilities                            | 6                                | 0                                       | 30<br>(9)   | 0                                   | -     | 37    | -                                   |
| Asset leased to Nintendo<br>Sales Co., Ltd.<br>(Kita-ku, Osaka Prefecture)  | Sales  | Other<br>facilities                            | 5                                | -                                       | 43<br>(1)   | 0                                   | -     | 49    | -                                   |
| Nintendo Gallery (tentative<br>name)<br>(Uji City, Kyoto Prefecture)        | Other  | Other<br>facilities                            | 0                                | -                                       | 0<br>(14)   | 0                                   | 43    | 44    | -                                   |

- (Notes) 1. Book value of “Other” represents book value of intangible assets and long-term prepaid expenses.  
 2. \*1 Tokyo Branch Office leases office space, of which the amount of annual rent expenses is ¥1,163 million (USD 8 million).  
 3. \*2 The amounts include some of the assets leased to Nintendo Sales Co., Ltd. and 1-UP Studio Inc.

(2) Overseas subsidiaries

As of March 31, 2023

| Name of company<br>(Location)               | Description of<br>business | Description<br>of<br>equipment<br>& facilities | Book value (Millions of yen)   |   |   |                                     |       |        | Number of<br>employees<br>(persons) |
|---|----------------------------|--|--------------------------------|---|---|-------------------------------------|-------|--------|-------------------------------------|
|   |                            |  | Buildings<br>and<br>structures | Machinery,<br>equipment<br>and vehicles | Land<br>(area:<br>thousands<br>of square<br>meters) | Tools,<br>furniture<br>and fixtures | Other | Total  |                                     |
| Nintendo of America Inc.<br>(United States) | Sales                      | Other<br>facilities                            | 13,193                         | 714                                     | 4,128<br>(508)                                      | 1,922                               | 1,383 | 21,343 | 1,241                               |
| Nintendo of Europe GmbH<br>(Germany)        | Sales                      | Other<br>facilities                            | 3,921                          | 167                                     | -<br>(-)  | 476                                 | 1,014 | 5,580  | 943                                 |

| Name of company<br>(Location)               | Description of<br>business | Description<br>of<br>equipment<br>& facilities | Book value (Millions of dollars) |   |   |                                     |       |       | Number of<br>employees<br>(persons) |
|---|----------------------------|--|----------------------------------|---|---|-------------------------------------|-------|-------|-------------------------------------|
|   |                            |  | Buildings<br>and<br>structures   | Machinery,<br>equipment<br>and vehicles | Land<br>(area:<br>thousands<br>of square<br>meters) | Tools,<br>furniture<br>and fixtures | Other | Total |                                     |
| Nintendo of America Inc.<br>(United States) | Sales                      | Other<br>facilities                            | 99                               | 5                                       | 31<br>(508)   | 14                                  | 10    | 160   | 1,241                               |
| Nintendo of Europe GmbH<br>(Germany)        | Sales                      | Other<br>facilities                            | 29                               | 1                                       | -<br>(-)  | 3                                   | 7     | 41    | 943                                 |

- (Notes) 1. Book value of “Other” represents book value of construction in progress and intangible assets.  
 2. The above amounts include right-of-use assets.

### 3. Plans for new installation and retirement of equipment and facilities, etc.

Plans for the installation of new equipment and facilities, etc. are as follows. There are no plans for retirement/sale of important equipment and facilities, excluding retirement/sale for the purpose of regular renewal. Segment information is omitted as Nintendo operates as a single business segment. Actual capital investments by Nintendo may vary significantly from the forecasts below due to factors including those stated in “II. Business Overview, 3. Risk factors.”

| Name of company  | Description of equipment and<br>facilities             | Planned investment amount               | Month/year of<br>commencement | Month/year of<br>scheduled<br>completion |
|--|--|---|-------------------------------|--|
| Nintendo Co., Ltd. and<br>its consolidated<br>subsidiaries | Research and development<br>facilities                 | 34,000 million yen<br>(USD 255 million) | April 2022                    | March 2025                               |
| Nintendo Co., Ltd. and<br>its consolidated<br>subsidiaries | Production facilities for<br>molds, etc.               | 8,000 million yen<br>(USD 60 million)   | April 2022                    | March 2025                               |
| Nintendo Co., Ltd. and<br>its consolidated<br>subsidiaries | Renovation, updating, etc.<br>of other buildings, etc. | 42,000 million yen<br>(USD 315 million) | April 2022                    | March 2025                               |
| Total  |  | 84,000 million yen<br>(USD 631 million) | -                             | -  |

(Note) Funds required for equipment and facilities, etc. in the future referred to above are to be self-financed.



## IV. Profile of the Company

### 1. Status of shares and other relevant matters

(1) Total number of shares and other information

(i) Total number of shares

| Class         | Total number of shares authorized to be issued (shares) |
|---------------|---|
| Common shares | 4,000,000,000   |
| Total         | 4,000,000,000   |

(ii) Number of shares issued

| Class         | Number of shares outstanding as of the end of fiscal year (March 31, 2023) | Number of shares outstanding as of issuance date of this report (June 26, 2023) | Name of stock exchange on which Nintendo is listed or name of authorized financial instruments firm association | Description                                      |
|---------------|--|---|---|--|
| Common shares | 1,298,690,000  | 1,298,690,000   | Tokyo Stock Exchange Prime Market   | Number of shares constituting a unit: 100 shares |
| Total         | 1,298,690,000  | 1,298,690,000   | -   | -  |

(2) Status of share subscription rights and other relevant matters

(i) Description of stock option scheme

Not applicable

(ii) Description of rights plans

Not applicable

(iii) Other matters regarding status of share subscription rights, etc.

Not applicable

(3) Exercise status and other relevant matters concerning bonds with share subscription rights containing a clause for exercise price adjustment

Not applicable

## (4) Trend of total number of shares issued, amount of common shares and other relevant matters

| Date                        | Change in the number of shares issued (Thousands of shares) | Balance of the number of shares issued (Thousands of shares) | Change in share capital (Millions of yen) | Balance of share capital (Millions of yen) | Change in legal capital surplus (Millions of yen) | Balance of legal capital surplus (Millions of yen) |
|-----------------------------|---|--|---|--|---|--|
| March 29, 2019 (Note 1)     | (10,000)  | 131,669  | -   | 10,065                                     | -   | 11,584   |
| September 16, 2021 (Note 1) | (1,800)   | 129,869  | -   | 10,065                                     | -   | 11,584   |
| October 1, 2022 (Note 2)    | 1,168,821   | 1,298,690  | -   | 10,065                                     | -   | 11,584   |

| Date                        | Change in the number of shares issued (Thousands of shares) | Balance of the number of shares issued (Thousands of shares) | Change in share capital (Millions of dollars) | Balance of share capital (Millions of dollars) | Change in legal capital surplus (Millions of dollars) | Balance of legal capital surplus (Millions of dollars) |
|-----------------------------|---|--|---|--|---|--|
| March 29, 2019 (Note 1)     | (10,000)  | 131,669  | -   | 75   | -   | 87   |
| September 16, 2021 (Note 1) | (1,800)   | 129,869  | -   | 75   | -   | 87   |
| October 1, 2022 (Note 2)    | 1,168,821   | 1,298,690  | -   | 75   | -   | 87   |

(Notes) 1. The decrease is due to the cancellation of treasury shares.

2. The increase is due to a 10-for-1 stock split.

## (5) Status of shareholders

As of March 31, 2023

| Classification                   | Status of shares (number of shares constituting a unit: 100 shares) |                        |                              |                      |                        |             |                       |            | Status of shares less than one unit (shares) |
|----------------------------------|---|------------------------|------------------------------|----------------------|------------------------|-------------|-----------------------|------------|--|
|                                  | National and local government                                       | Financial institutions | Financial services providers | Other legal entities | Foreign shareholders   |             | Individuals and other | Total      |  |
|                                  |   |                        |                              |                      | Other than individuals | Individuals |                       |            |  |
| Number of shareholders (persons) | -   | 122                    | 79                           | 1,370                | 1,216                  | 790         | 139,900               | 143,477    | -  |
| Number of shares held (units)    | -   | 3,935,473              | 483,192                      | 333,428              | 5,967,858              | 4,286       | 2,255,029             | 12,979,266 | 763,400                                      |
| Shareholding ratio (%)           | -   | 30.32                  | 3.72                         | 2.57                 | 45.98                  | 0.03        | 17.38                 | 100.00     | -  |

(Notes) 1. Out of treasury shares of 134,460,640 shares, 1,344,606 units and 40 shares are included in “Individuals and other” and “Status of shares less than one unit,” respectively.

2. “Other legal entities” includes 10 units of shares held in the name of Japan Securities Depository Center, Inc.

## (6) Status of major shareholders

As of March 31, 2023

| Name of shareholder  | Address  | Number of shares held (Hundreds of shares) | Shareholding ratio (excluding treasury shares) (%) |
|--|--|--|--|
| The Master Trust Bank of Japan, Ltd. (Trust Account)   | 2-11-3 Hamamatsu-cho, Minato-ku, Tokyo   | 1,984,828                                  | 17.05  |
| JP Morgan Chase Bank 380815 (Standing proxy: Settlement & Clearing Services Department, Mizuho Bank, Ltd.)                                     | 25 BANK STREET, CANARY WHARF, LONDON, E14 5JP, UNITED KINGDOM (2-15-1 Konan, Minato-ku, Tokyo)         | 1,152,596                                  | 9.90   |
| Custody Bank of Japan, Ltd. (Trust Account)  | 1-8-12 Harumi, Chuo-ku, Tokyo  | 695,129                                    | 5.97   |
| The Bank of Kyoto, Ltd. (Standing proxy: Custody Bank of Japan, Ltd.)  | 700 Yakushimae-cho, Karasuma-dori, Matsubara-Agaru, Shimogyo-ku, Kyoto (1-8-12 Harumi, Chuo-ku, Tokyo) | 488,020                                    | 4.19   |
| The Nomura Trust and Banking Co., Ltd. (MUFG Bank, Ltd. Retiree Allowance Trust Account)   | 2-2-2 Otemachi, Chiyoda-ku, Tokyo  | 421,090                                    | 3.62   |
| State Street Bank West Client – Treaty 505234 (Standing proxy: Settlement & Clearing Services Department, Mizuho Bank, Ltd.)                   | 1776 HERITAGE DRIVE, NORTH QUINCY, MA 02171, U.S.A. (2-15-1 Konan, Minato-ku, Tokyo)                   | 201,980                                    | 1.73   |
| CITIBANK, N.A.-NY, AS DEPOSITARY BANK FOR DEPOSITARY SHARE HOLDERS (Standing proxy: Citibank, N.A., Tokyo Branch)                              | 388 GREENWICH STREET NEW YORK, NY 10013 USA (6-27-30 Shinjuku, Shinjuku-ku, Tokyo)                     | 160,576                                    | 1.38   |
| JP Morgan Chase Bank 385781 (Standing proxy: Settlement & Clearing Services Department, Mizuho Bank, Ltd.)                                     | 25 BANK STREET, CANARY WHARF, LONDON, E14 5JP, UNITED KINGDOM (2-15-1 Konan, Minato-ku, Tokyo)         | 140,154                                    | 1.20   |
| SBTC CLIENT OMNIBUS ACCOUNT (Standing proxy: Custody Services Department, The Hongkong and Shanghai Banking Corporation Limited, Tokyo Branch) | ONE LINCOLN STREET, BOSTON MA USA 02111 (3-11-1 Nihombashi, Chuo-ku, Tokyo)                            | 139,035                                    | 1.19   |
| State Street Bank and Trust Company 505223 (Standing proxy: Settlement & Clearing Services Department, Mizuho Bank, Ltd.)                      | P.O. BOX 351 BOSTON MASSACHUSETTS 02101 U.S.A. (2-15-1 Konan, Minato-ku, Tokyo)                        | 127,334                                    | 1.09   |
| Total  | -  | 5,510,744                                  | 47.33  |

(Notes) 1. The Company's 1,344,606 hundred treasury shares are excluded from the above table.

2. Although the Statement of Changes made available for public inspection dated February 17, 2023 states that the following shares are held by Public Investment Fund as of February 13, 2023, the above status of major shareholders is based on the shareholder registry, as the Company could not confirm the actual number of shares held as of March 31, 2023.

| Name of shareholder    | Address   | Number of shares held (Hundreds of shares) | Shareholding ratio (excluding treasury shares) (%) |
|------------------------|---|--|--|
| Public Investment Fund | AlRaidah Digital City Al-Nakheel PO BOX 6847, Riyadh 11452 Saudi Arabia | 1,072,376                                  | 8.26   |
| Total                  | -   | 1,072,376                                  | 8.26   |

3. Although the Statement of Changes made available for public inspection dated April 6, 2023 states that the following shares are held by Sumitomo Mitsui Trust Asset Management Co., Ltd. and its joint holders as of March 31, 2023, the above status of major shareholders is based on the shareholder registry, as the Company could not confirm the actual number of shares held as of March 31, 2023.

| Name of shareholder                              | Address                           | Number of shares held (Hundreds of shares) | Shareholding ratio (excluding treasury shares) (%) |
|--|-----------------------------------|--|--|
| Sumitomo Mitsui Trust Asset Management Co., Ltd. | 1-1-1 Shibakoen, Minato-ku, Tokyo | 446,165                                    | 3.44   |
| Nikko Asset Management Co., Ltd.                 | 9-7-1 Akasaka, Minato-ku, Tokyo   | 284,701                                    | 2.19   |
| Total  | -                                 | 730,866                                    | 5.63   |

4. Although the Statement of Changes made available for public inspection dated January 17, 2022 states that the following shares are held by MUFG Bank, Ltd. and its joint holders as of January 10, 2022, the above status of major shareholders is based on the shareholder registry, as the Company could not confirm the actual number of shares held as of March 31, 2023.

The Company enacted a 10-for-1 stock split of its common stock with an effective date of October 1, 2022. As a result, the number of shares issued increased by 1,168,821,000 shares to 1,298,690,000 shares. Statements of Large-Volume Holdings (Statements of Changes) submitted before this date present the number of shares held prior to the stock split.

| Name of shareholder                               | Address                             | Number of shares held (Hundreds of shares) | Shareholding ratio (excluding treasury shares) (%) |
|---|-------------------------------------|--|--|
| MUFG Bank, Ltd.                                   | 2-7-1 Marunouchi, Chiyoda-ku, Tokyo | 42,109                                     | 3.24   |
| Mitsubishi UFJ Trust and Banking Corporation      | 1-4-5 Marunouchi, Chiyoda-ku, Tokyo | 40,650                                     | 3.13   |
| Mitsubishi UFJ Kokusai Asset Management Co., Ltd. | 1-12-1 Yurakucho, Chiyoda-ku, Tokyo | 11,075                                     | 0.85   |
| Total   | -                                   | 93,834                                     | 7.23   |

5. Although the Statements of Large-Volume Holdings made available for public inspection dated March 22, 2017 states that the following shares are held by BlackRock Japan Co., Ltd. and its joint holders as of March 15, 2017, the above status of major shareholders is based on the shareholder registry, as the Company could not confirm the actual number of shares held as of March 31, 2023.

The total number of shares issued decreased by 11,800,000 shares in total due to the cancellation of treasury shares on March 29, 2019 and September 16, 2021, and increased by 1,168,821,000 shares due to a 10-for-1 stock split of the Company's common stock with an effective date of October 1, 2022. As a result, the number of shares issued is now 1,298,690,000 shares. However, the shareholding ratio and the number of shares held by each shareholder in the Statements of Large-Volume Holdings (Statement of Changes) submitted before said dates are stated as the ratio and number before the cancellation of treasury shares or the stock split.

| Name of shareholder                          | Address  | Number of shares held (Hundreds of shares) | Shareholding ratio (excluding treasury shares) (%) |
|--|--|--|--|
| BlackRock Japan Co., Ltd.                    | 1-8-3 Marunouchi, Chiyoda-ku, Tokyo                                      | 21,768                                     | 1.54   |
| BlackRock Advisors, LLC                      | 1209 Orange Street, Wilmington, New Castle County, Delaware, USA         | 6,892                                      | 0.49   |
| BlackRock Investment Management LLC          | 1 University Square Drive; Princeton, New Jersey, USA                    | 1,843                                      | 0.13   |
| BlackRock (Luxembourg) S.A.                  | 35a Avenue JF Kennedy L-1855 Luxembourg                                  | 1,972                                      | 0.14   |
| BlackRock Life Limited                       | 12 Throgmorton Avenue London, UK   | 2,453                                      | 0.17   |
| BlackRock Asset Management Ireland Limited   | JP Morgan House International Financial Services Centre, Dublin, Ireland | 4,460                                      | 0.31   |
| BlackRock Fund Advisors                      | 400 Howard Street, San Francisco, California, USA                        | 14,264                                     | 1.01   |
| BlackRock Institutional Trust Company, N.A.  | 400 Howard Street, San Francisco, California, USA                        | 17,501                                     | 1.24   |
| BlackRock Investment Management (UK) Limited | 12 Throgmorton Avenue London, UK   | 2,017                                      | 0.14   |
| Total  | -  | 73,172                                     | 5.17   |

(7) Status of voting rights

(i) Shares issued

As of March 31, 2023

| Class  | Number of shares (shares)                      | Number of voting rights (units) | Description                                      |
|--|--|---------------------------------|--|
| Shares without voting rights                                 | -  | -                               | -  |
| Shares with restricted voting rights (treasury shares, etc.) | -  | -                               | -  |
| Shares with restricted voting rights (other)                 | -  | -                               | -  |
| Shares with full voting rights (treasury shares, etc.)       | (Treasury shares) 134,460,600<br>Common shares | -                               | Number of shares constituting a unit: 100 shares |
| Shares with full voting rights (other)                       | Common shares 1,163,466,000                    | 11,634,660                      | Same as the above                                |
| Shares less than one unit                                    | Common shares 763,400                          | -                               | Shares less than one unit (100 shares)           |
| Total number of shares issued                                | 1,298,690,000                                  | -                               | -  |
| Total number of voting rights held by all shareholders       | -  | 11,634,660                      | -  |

(Note) “Shares with full voting rights (other)” includes 1,000 shares (10 voting rights) held in the name of Japan Securities Depository Center, Inc.

(ii) Treasury shares and other relevant matters

As of March 31, 2023

| Name of shareholder                  | Address of shareholder                                       | Number of shares held under own name (shares) | Number of shares held under another name (shares) | Total number of shares held (shares) | Shareholding ratio over the total number of shares issued (%) |
|--------------------------------------|--|---|---|--------------------------------------|---|
| (Treasury shares) Nintendo Co., Ltd. | 11-1 Hokotate-cho, Kamitoba, Minami-ku, Kyoto 601-8501 Japan | 134,460,600                                   | -   | 134,460,600                          | 10.35   |
| Total                                | -  | 134,460,600                                   | -   | 134,460,600                          | 10.35   |

## 2. Status of acquisition of treasury shares and other relevant matters

[Class of shares, etc.] Acquisition of common shares under Article 155, item 3 and Article 155, item 7 of the Companies Act

(1) Status of acquisition based on a resolution approved at the General Meeting of Shareholders

Not applicable

(2) Status of acquisition based on a resolution approved by the Board of Directors

Acquisition under Article 155, item 3 of the Companies Act

| Classification  | Number of shares (shares) | Total amount of acquisition price (yen) |
|---|---------------------------|---|
| Status of the resolution approved by the meeting of the Board of Directors (held on May 10, 2022)<br>(Acquisition period: May 11, 2022) | 1,000,000                 | 56,360,000,000                          |
| Treasury shares acquired prior to the fiscal year ended March 31, 2023  | -                         | -                                       |
| Treasury shares acquired during the fiscal year ended March 31, 2023  | 899,500                   | 50,695,820,000                          |
| Total number and amount of remaining shares to be acquired based on the resolution approved by the Board of Directors                   | 100,500                   | 5,664,180,000                           |
| Percentage of unexecuted rights as of March 31, 2023 (%)  | 10.1                      | 10.1                                    |
| Treasury shares acquired during the current period  | -                         | -                                       |
| Percentage of unexecuted rights as of submission date of this report (%)  | 10.1                      | 10.1                                    |

| Classification  | Number of shares (shares) | Total amount of acquisition price (dollars) |
|---|---------------------------|---|
| Status of the resolution approved by the meeting of the Board of Directors (held on May 10, 2022)<br>(Acquisition period: May 11, 2022) | 1,000,000                 | 423,759,398                                 |
| Treasury shares acquired prior to the fiscal year ended March 31, 2023  | -                         | -   |
| Treasury shares acquired during the fiscal year ended March 31, 2023  | 899,500                   | 381,171,578                                 |
| Total number and amount of remaining shares to be acquired based on the resolution approved by the Board of Directors                   | 100,500                   | 42,587,819                                  |
| Percentage of unexecuted rights as of March 31, 2023 (%)  | 10.1                      | 10.1  |
| Treasury shares acquired during the current period  | -                         | -   |
| Percentage of unexecuted rights as of submission date of this report (%)  | 10.1                      | 10.1  |

(Note) The Company enacted a 10-for-1 stock split of its common stock with an effective date of October 1, 2022. The acquisition of treasury shares based on a resolution approved by the Board of Directors for the acquisition period shown above was executed prior to the stock split. Therefore, the number of shares shown are the number prior to the stock split.

(3) Description of acquisition of treasury shares not based on a resolution approved at the General Meeting of Shareholders or a resolution approved by the Board of Directors

Acquisition under Article 155, item 7 of the Companies Act

| Classification   | Number of shares (shares) | Total amount of acquisition price (yen) |
|--|---------------------------|---|
| Treasury shares acquired during the fiscal year ended March 31, 2023 | 1,608                     | 29,273,300                              |
| Treasury shares acquired during the current period                   | 105                       | 610,365                                 |

| Classification   | Number of shares (shares) | Total amount of acquisition price (dollars) |
|--|---------------------------|---|
| Treasury shares acquired during the fiscal year ended March 31, 2023 | 1,608                     | 220,100                                     |
| Treasury shares acquired during the current period                   | 105                       | 4,589                                       |

(Notes) 1. The number of treasury shares acquired during the current period does not include shares less than one full unit purchased during the period from June 1, 2023 to the submission date of this report.

2. The Company enacted a 10-for-1 stock split of its common stock with an effective date of October 1, 2022. The treasury shares acquired during the fiscal year ended March 31, 2023 include 368 shares acquired prior to the stock split and 1,240 shares acquired after the stock split.



(4) Status of disposition and holding of acquired treasury shares

| Classification   | Fiscal year ended March 31, 2023 |                                      | Current period (April 1 to May 31, 2023) |                                      |
|--|----------------------------------|--------------------------------------|--|--------------------------------------|
|  | Number of shares (shares)        | Total amount of disposal price (yen) | Number of shares (shares)                | Total amount of disposal price (yen) |
| Acquired treasury shares for which subscribers were solicited  | -                                | -                                    | -  | -                                    |
| Acquired treasury shares that were retired   | -                                | -                                    | -  | -                                    |
| Acquired treasury shares that were transferred in association with a merger, share exchange, share issuance or corporate split | -                                | -                                    | -  | -                                    |
| Other (disposal of treasury shares through the restricted stock compensation plan)   | 950                              | 19,149,672                           | -  | -                                    |
| Number of treasury shares held   | 134,460,640                      | -                                    | 134,460,745                              | -                                    |

| Classification   | Fiscal year ended March 31, 2023 |  | Current period (April 1 to May 31, 2023) |  |
|--|----------------------------------|--|--|--|
|  | Number of shares (shares)        | Total amount of disposal price (dollars) | Number of shares (shares)                | Total amount of disposal price (dollars) |
| Acquired treasury shares for which subscribers were solicited  | -                                | -  | -  | -  |
| Acquired treasury shares that were retired   | -                                | -  | -  | -  |
| Acquired treasury shares that were transferred in association with a merger, share exchange, share issuance or corporate split | -                                | -  | -  | -  |
| Other (disposal of treasury shares through the restricted stock compensation plan)   | 950                              | 143,982                                  | -  | -  |
| Number of treasury shares held   | 134,460,640                      | -  | 134,460,745                              | -  |

- (Notes)
1. The number of treasury shares held during the period from April 1 to May 31, 2023 does not include shares less than one full unit purchased or sold during the period from June 1, 2023 to the submission date of this report.
  2. The Company enacted a 10-for-1 stock split of its common stock with an effective date of October 1, 2022. "Other (disposal of treasury shares through the restricted stock compensation plan)" was executed prior to the stock split. Therefore, the number of shares shown are the number prior to the stock split. The number of treasury shares held includes an increase of 121,013,460 shares due to the stock split.

### 3. Dividend policy

It is the Company's basic policy to internally provide the capital necessary to fund future growth, including capital investments, and to maintain a strong and liquid financial position in preparation for changes in the business environment and intensified competition. As for direct profit returns to our shareholders, dividends are paid based on profit levels achieved in each fiscal period.

It is the Company's basic policy to distribute the surplus twice per year in the form of an interim dividend and a year-end dividend. The Articles of Incorporation of the Company stipulate that the Company "may pay an interim dividend based on a resolution approved by the Board of Directors" pursuant to the provisions of Article 454, item 5 of the Companies Act. The governing bodies which determine the interim dividend and year-end dividend are the Board of Directors and the General Meeting of Shareholders, respectively.

The annual dividend per share will be established at the higher of the amount calculated by dividing 33% of consolidated operating profit by the total number of outstanding shares, excluding treasury shares, as of the end of the fiscal year rounded up to the one yen digit (rounded up to the 10 yen digit prior to the stock split), and the amount calculated based on the 50% consolidated profit standard rounded up to the one yen digit (rounded up to the 10 yen digit prior to the stock split).

The interim dividend per share is calculated by dividing 33% of consolidated operating profit by the total number of outstanding shares, excluding treasury shares, as of the end of the six-month period rounded up to the one yen digit (rounded up to the 10 yen digit prior to the stock split).

According to the aforementioned policy, the dividends per share for the fiscal year ended March 31, 2023 were calculated as an interim dividend of 630 yen (USD 4.73) and year-end dividend of 123 yen (USD 0.92). The Company enacted a 10-for-1 stock split of its common stock with an effective date of October 1, 2022. The amount of the interim dividend per share is shown prior to the stock split, and the amount of the year-end dividend per share is shown after the stock split. If the stock split were enacted at the start of the fiscal year ended March 31, 2023, the annual dividend per share would be 186 yen (USD 1.39) (interim: 63 yen [USD 0.47], year-end: 123 yen [USD 0.92]).

Retained earnings are maintained for effective use in research of new technology and development of new products and services, capital investments and securing materials, enhancement of selling power including advertisements, strengthening of network infrastructure, and treasury share buyback whenever deemed appropriate.

(Note) Dividend payments for which the record date is in the fiscal year ended March 31, 2023 are as follows.

| Date of resolution  | Total amount of dividend | Dividend per share |
|---|--------------------------|--------------------|
| Resolved at the meeting of the Board of Directors on November 8, 2022   | ¥73,346 million          | ¥630               |
| Resolved at the Annual General Meeting of Shareholders on June 23, 2023 | ¥143,200 million         | ¥123               |

| Date of resolution  | Total amount of dividend | Dividend per share |
|---|--------------------------|--------------------|
| Resolved at the meeting of the Board of Directors on November 8, 2022   | USD 551 million          | USD 4.73           |
| Resolved at the Annual General Meeting of Shareholders on June 23, 2023 | USD 1,076 million        | USD 0.92           |

**4. Corporate governance**

**(1) Outline of corporate governance**

**(i) Basic views on corporate governance**

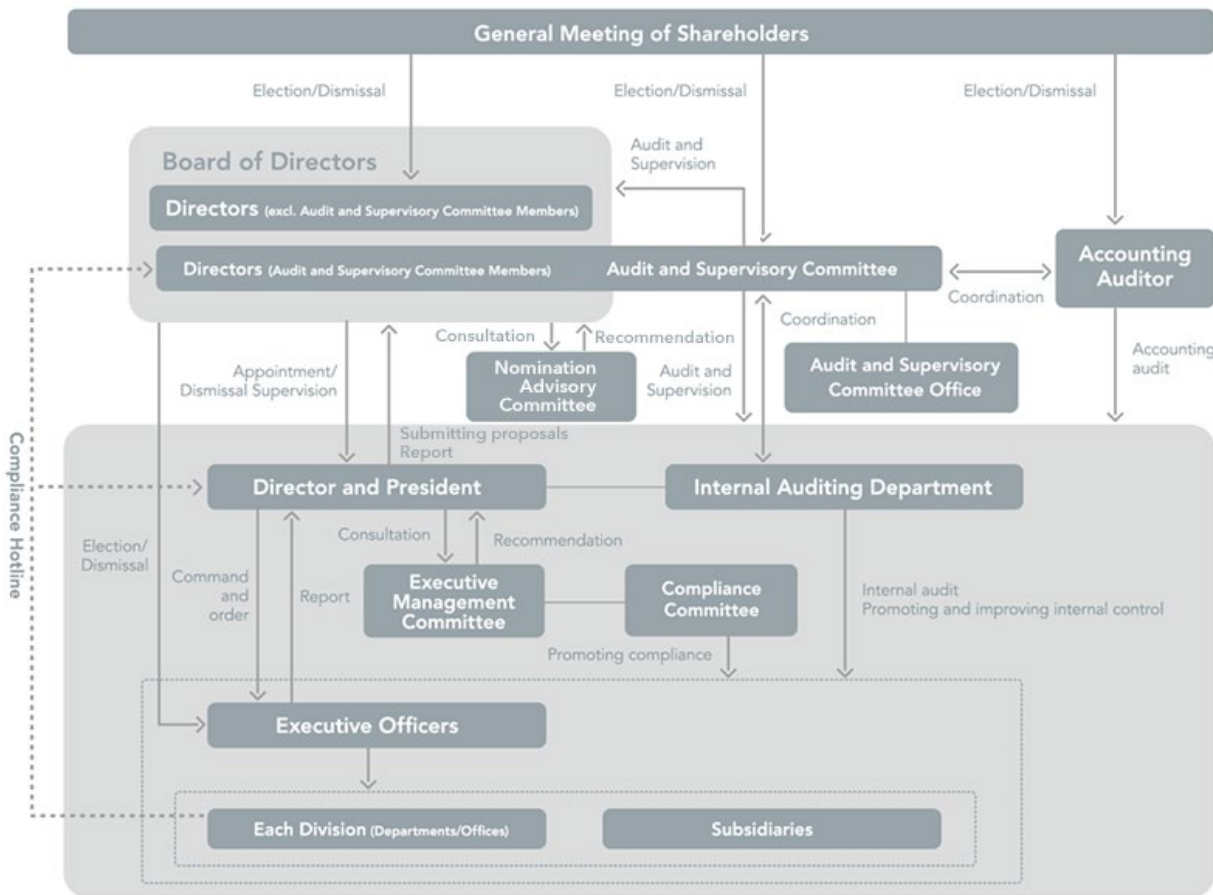
At Nintendo, we strive to maximize long-term, continuous corporate value while carefully considering the benefits for everyone we touch, including not only shareholders but also consumers, business partners, employees, local communities and other stakeholders. We are working to build a highly transparent and sound system of corporate governance, as well as improve our corporate ethics.

**(ii) Outline of corporate governance system and reason for adoption of such system**

The Company aims to strengthen the supervisory functions of the Board of Directors and further enhance the corporate governance system of the Company as a Company with an Audit and Supervisory Committee. The Company has also introduced the Executive Officer System for the purpose of clarifying the responsibility for the execution of operations, and establishing a more flexible management structure which can appropriately and swiftly respond to the rapidly changing business environment. The foregoing will be enabled by separating the management decision-making and supervisory functions from the execution of operations as well as by accelerating the delegation of authority to execute operations.

The Company’s corporate governance system is as shown below.

**System of Governance**



**(Board of Directors)**

The Board of Directors consists of ten Directors (including four Directors who are Audit and Supervisory Committee Members), of whom four are Outside Directors (including three Directors who are Audit and Supervisory Committee Members). All Outside Directors meet the standards for independent officers set forth by Tokyo Stock Exchange, Inc. The Board of Directors holds meetings once a month in principle, and deliberates important matters related to management in accordance with laws and regulations, etc. as the body in charge of management decision-making and supervision. During the fiscal year ended March 31, 2023, the Board of Directors deliberated on important development and other projects, capital investments, investment and acquisition projects, policies concerning shares, revisions to officers’ compensation, the organization of the Company group, and other matters.

Board members: Board chairperson Shuntaro Furukawa, Representative Director and President; Shigeru Miyamoto, Representative Director; Shinya Takahashi, Director; Satoru Shibata, Director; Ko Shiota, Director; Chris Meledandri, Outside Director; Takuya Yoshimura, Director (Full-Time Audit and Supervisory Committee Member); Katsuhiro Umeyama, Outside Director (Audit and Supervisory Committee Member); Masao Yamazaki, Outside Director (Audit and Supervisory Committee Member); and Asa Shinkawa, Outside Director (Audit and Supervisory Committee Member)

(Nomination Advisory Committee)

With the aim of increasing objectivity and transparency in the procedures for determining the nomination and compensation of Directors, etc., the Company has established the Nomination Advisory Committee, which consists of the Representative Director and President and all Directors who are Audit and Supervisory Committee Members. The Nomination Advisory Committee holds meetings at least three times per year, in principle. As a non-mandatory advisory body to the Board of Directors, the committee deliberates matters related to the nomination and compensation of Directors, etc. During the fiscal year ended March 31, 2023, the committee deliberated on candidates for Director (including proposals for the positions of Representative Directors, Directors with special titles and Directors concurrently serving as Executive Officers) and their compensation, as well as confirming and exchanging opinions on the independence of Outside Directors, the results of voting at the General Meeting of Shareholders and the composition of the Board of Directors in coming years.

Committee members: Committee chairperson Katsuhiro Umeyama, Outside Director (Audit and Supervisory Committee Member); Shuntaro Furukawa, Representative Director and President; Takuya Yoshimura, Director (Full-Time Audit and Supervisory Committee Member); Masao Yamazaki, Outside Director (Audit and Supervisory Committee Member); and Asa Shinkawa, Outside Director (Audit and Supervisory Committee Member)

The attendance status of each meeting of the Board of Directors and the Nomination Advisory Committee during the fiscal year ended March 31, 2023 is as follows.

| Classification  | Name              | Board of Directors      |                             | Nomination Advisory Committee |                             |
|---|-------------------|-------------------------|-----------------------------|-------------------------------|-----------------------------|
|   |                   | Number of meetings held | Number of meetings attended | Number of meetings held       | Number of meetings attended |
| Representative Director and President                       | Shuntaro Furukawa | 12                      | 12                          | 3                             | 3                           |
| Representative Director                                     | Shigeru Miyamoto  | 12                      | 12                          | -                             | -                           |
| Director  | Shinya Takahashi  | 12                      | 12                          | -                             | -                           |
| Director  | Satoru Shibata    | 12                      | 12                          | -                             | -                           |
| Director  | Ko Shiota         | 12                      | 12                          | -                             | -                           |
| Outside Director  | Chris Meledandri  | 12                      | 11                          | -                             | -                           |
| Director (Full-time Audit and Supervisory Committee Member) | Takuya Yoshimura  | 10 (Note)               | 10 (Note)                   | 3                             | 3                           |
| Outside Director (Audit and Supervisory Committee Member)   | Katsuhiro Umeyama | 12                      | 12                          | 3                             | 3                           |
| Outside Director (Audit and Supervisory Committee Member)   | Masao Yamazaki    | 12                      | 12                          | 3                             | 3                           |
| Outside Director (Audit and Supervisory Committee Member)   | Asa Shinkawa      | 12                      | 12                          | 3                             | 3                           |

(Note) Mr. Takuya Yoshimura was appointed Director (Full-time Audit and Supervisory Committee Member) on June 29, 2022, and his attendance is shown for meetings held on or after that date.

(Audit and Supervisory Committee)

The Audit and Supervisory Committee consists of one full-time internal Director and three Outside Directors. The Audit and Supervisory Committee holds meetings once a month, in principle, and deliberates matters provided for in laws and regulations, etc. as the body in charge of auditing the execution of duties, in addition to exchanging audit opinions.

Committee members: Committee chairperson Takuya Yoshimura, Director (Full-Time Audit and Supervisory Committee Member); Katsuhiro Umeyama, Outside Director (Audit and Supervisory Committee Member); Masao Yamazaki, Outside Director (Audit and Supervisory Committee Member); and Asa Shinkawa, Outside Director (Audit and Supervisory Committee Member)

The Company has established the Audit and Supervisory Committee Office which assists the Audit and Supervisory Committee in performing its duties, and has appointed one dedicated staff member in the Office.

(Executive Management Committee)

With the aim of promoting corporate activities strongly, the Company has established the Executive Management Committee consisting of Representative Directors and Directors concurrently serving as Executive Officers with special titles. The Executive Management Committee holds meetings twice per month in principle and deliberates basic policies on matters to be proposed at the meetings of the Board of Directors and management-related business execution policies and various measures.

Committee members: Committee chairperson Shuntaro Furukawa, Representative Director and President; Shigeru Miyamoto, Representative Director; Shinya Takahashi, Director; Satoru Shibata, Director; and Ko Shiota, Director

(Compliance Committee)

With the aim of promoting compliance, the Company has established the Compliance Committee chaired by the General Manager of the General Affairs Division under the Executive Management Committee. The Compliance Committee performs initiatives for promotion of compliance including establishment of the “Compliance Manual.”

Committee members: Committee chairperson Kentaro Yamagishi, General Manager, General Affairs Division; general managers of divisions and general managers of departments/offices (sections not placed under divisions)

(iii) Other matters related to corporate governance

(a) Preparedness of risk management system

In the Company, as a general rule, each division and department manages risks pertaining to work within its jurisdiction. Furthermore, the Internal Auditing Department monitors the risk management system of each division and department, and proposes and advises on policies for improvement, etc. Further, under the Compliance Committee, thorough compliance efforts are promoted at each division and department. The Company has also established the Information Security Committee to ensure information security and the Product Safety Committee and other structures to guarantee product safety, prevent the occurrence of product accidents and ensure prompt response in the event of an accident.

The Company has established internal regulations applicable to its subsidiaries mainly to ensure efficient risk management and business operation by the subsidiaries. Pursuant to the regulations, the responsible General Managers of the Company identify and manage such matters as the management status of the respective subsidiaries they are in charge of, obtaining information therefrom as necessary, and subsidiaries are required to obtain the Company’s prior approval for significant matters.

(b) Summary of agreement on limitation of liability with Outside Directors

In accordance with Article 427, Paragraph 1 of the Companies Act, the Company has entered into an agreement with Outside Directors to limit their liability for damages as stipulated in Article 423, Paragraph 1 of the Companies Act. Pursuant to such agreement, the amount of liability for damages is limited to the amount specified by laws and regulations, and such liability limit will be recognized only when the Outside Director performed his/her duties that caused the liability in good faith and without gross negligence.

(c) Summary of director liability insurance contract

Pursuant to Article 430-3, Paragraph 1 of the Companies Act, the Company has entered into a director liability insurance contract with an insurance provider. The insured are Directors and Executive Officers of the Company and officers of the Company’s subsidiaries; the purpose of this insurance contract is to cover compensation for damages and litigation expenses, etc. that may be incurred by the insured while performing his/her duties or that result from pursuit of claims for such liabilities during the insurance period. However, there are certain exclusions, such as cases where an act was performed with the awareness that it constitutes a violation of laws and/or regulations. Insurance premiums are borne by the Company in full.

(d) Number of Directors

The Articles of Incorporation stipulates that the number of Directors of the Company (excluding Directors who are Audit and Supervisory Committee Members) shall be no more than 15 persons, and the number of Directors who are Audit and Supervisory Committee Members shall be no more than five persons.

(e) Requirements for resolution on election of Directors

The Company has stipulated in its Articles of Incorporation that: a resolution on the election of Directors shall be passed by the majority of the votes of the shareholders present at the meeting where the shareholders holding one-third or more of the votes of the shareholders entitled to vote are present; and the resolution on the election of Directors shall not be subject to cumulative vote.

(f) Matters subject to resolution at General Meeting of Shareholders that can be resolved at Board of Directors meeting

(Acquisition of treasury shares)

The Company has stipulated in its Articles of Incorporation that, in order to execute capital policies in a flexible manner in response to changes in the business environment, the Company may acquire treasury shares subject to resolution of the Board of Directors pursuant to the provision of Article 165, Paragraph 2 of the Companies Act.

(Interim dividend)

The Company has stipulated in its Articles of Incorporation that, in order to return profits to shareholders in a flexible manner, the Company may pay an interim dividend to shareholders or registered pledgees of shares entered or recorded in the latest shareholder registry as at September 30 each year, subject to resolution of the Board of Directors.

(g) Requirements for special resolution at General Meeting of Shareholders

The Company has stipulated in its Articles of Incorporation that, in order to fulfill the quorum for a special resolution at the General Meeting of Shareholders with greater certainty, the resolution provided for in Article 309, Paragraph 2 of the Companies Act shall be passed by two-thirds of the votes of the shareholders present at the meeting where the shareholders holding one-third or more of the votes of the shareholders entitled to vote are present.

(iv) Basic Policy Regarding the Company's Control

The Company's Board of Directors believes that the decision of whether to accept another party's tender or other acquisition offer for the purpose of making large purchases of the Company's stock ultimately should be entrusted to its shareholders, given that the stock of the Company, which is a public company, is freely traded. However, it is likely that certain tender or acquisition offers may harm the Company's corporate value or the common interests of shareholders, depending on the intent of the offer, etc. The Company's Board of Directors maintains that such tender or acquisition offers are inappropriate.

As of now, any specific defensive measure in the event of a tender or acquisition offer has not yet officially been introduced, but the Company has already set up an internal system to deal with such an event. If a tender or acquisition offer is proposed, the Company will carefully judge its potential impact on its corporate value and the common interests of shareholders, and take appropriate measures with due care and prudent management.

Specifically, in addition to evaluating the offer with outside experts and negotiating with the party making the offer, the Company will establish a task force to decide on whether any specific defensive measures are necessary. If the offer is deemed inimical to the Company's corporate value or the common interests of its shareholders, the defensive measures will be determined and implemented in accordance with relevant laws and regulations.

The Company will continue to consider adoption of any defensive measures for these situations, giving due respect to laws, regulations and case law related to acquisitions, their interpretations by relevant authorities, etc.

## (2) Members of the Board of Directors

### (i) List of Members of the Board of Directors

Nine male Directors and one female Director (percentage of women: 10.0%)

| Position/<br>Job title  | Name                 | Date of birth        | Past experience  | Term | Number of<br>shares held<br>(hundreds) |
|---|----------------------|----------------------|--|------|--|
| Representative<br>Director<br><br>President   | Shuntaro<br>Furukawa | January 10,<br>1972  | April 1994<br>May 2012<br><br>July 2015<br>June 2016<br><br>September 2016<br>June 2018<br><br>Joined the Company<br>Appointed as Outside Director of The Pokémon<br>Company<br>General Manager, Corporate Planning Department<br>Appointed as Director (to present)<br>Appointed as Managing Executive Officer<br>Supervisor of Corporate Analysis &<br>Administration Division<br>In charge of Global Marketing Department<br>Appointed as Representative Director and<br>President (to present)   | *1   | 80                                     |
| Representative<br>Director<br><br>Fellow  | Shigeru<br>Miyamoto  | November<br>16, 1952 | April 1977<br>June 2000<br><br>May 2002<br><br>September 2015<br><br>Joined the Company<br>Appointed as Director (to present)<br>General Manager, Entertainment Analysis &<br>Development Division<br>Appointed as Senior Managing Director<br>Appointed as Representative Director (to present)<br>Appointed as Fellow (to present)   | *1   | 20                                     |
| Director<br><br>Senior<br>Managing<br>Executive<br>Officer<br><br>General<br>Manager,<br>Entertainment<br>Planning &<br>Development<br>Division | Shinya<br>Takahashi  | November 9,<br>1963  | April 1989<br>July 2012<br><br>June 2013<br><br>September 2015<br><br>June 2016<br>June 2018<br><br>Joined the Company<br>Deputy General Manager, Software Planning &<br>Development Division<br>Appointed as Director (to present)<br>General Manager, Software Planning &<br>Development Division<br>General Manager, Entertainment Planning &<br>Development Division (to present)<br>Supervisor of Development Administration &<br>Support Division (to present)<br>Supervisor of Business Development Division<br>Appointed as Managing Executive Officer<br>Appointed as Senior Managing Executive Officer<br>(to present)   | *1   | 20                                     |
| Director<br><br>Managing<br>Executive<br>Officer<br><br>General<br>Manager,<br>Marketing<br>Division and<br>Licensing<br>Division               | Satoru<br>Shibata    | September 4,<br>1962 | April 1985<br>February 1999<br>June 2000<br>June 2016<br>May 2018<br><br>June 2018<br><br>September 2020<br>June 2022<br><br>Joined the Company<br>President of Nintendo Australia Pty Limited<br>President of Nintendo of Europe GmbH<br>Appointed as Executive Officer<br>Appointed as Outside Director of The Pokémon<br>Company (to present)<br>Appointed as Director (to present)<br>Appointed as Senior Executive Officer<br>General Manager, Marketing Division (to present)<br>General Manager, Licensing Division (to present)<br>In charge of Planning Department and Global<br>Marketing Department<br>In charge of Global Communications Division<br>Appointed as Managing Executive Officer (to<br>present) | *1   | 20                                     |
| Director<br><br>Senior<br>Executive<br>Officer<br><br>General<br>Manager,<br>Platform<br>Technology<br>Development<br>Division                  | Ko Shiota            | August 7,<br>1969    | April 1992<br>September 2015<br><br>June 2016<br>June 2017<br><br>Joined the Company<br>General Manager, Platform Technology<br>Development Division (to present)<br>Appointed as Executive Officer<br>Appointed as Director (to present)<br>Appointed as Senior Executive Officer (to present)  | *1   | 20                                     |

| Position/<br>Job title   | Name              | Date of birth     | Past experience   |   | Term | Number of<br>shares held<br>(hundreds) |
|--|-------------------|-------------------|---|---|------|--|
| Director   | Chris Meledandri  | May 15, 1959      | 1987<br>1991<br>1993<br>1995<br>1998<br>2007<br><br>June 2021   | Partner of Meledandri/Gordon Co.<br>President of Steel Pictures at Disney Studios<br>SVP of Production of 20th Century Fox<br>EVP of Fox Family Films<br>President of Fox Animation<br>Founder of Illumination Entertainment<br>CEO of Illumination Entertainment (to present)<br>Director of the Company (to present)  | *1   | -                                      |
| Director<br>(Full-time<br>Audit and<br>Supervisory<br>Committee<br>Member) | Takuya Yoshimura  | July 2, 1958      | April 1982<br>May 2000<br><br>January 2005<br>June 2014<br>September 2015<br><br>September 2016<br>January 2018<br>June 2022                        | Joined ARABIAN OIL COMPANY, LTD.<br>Joined the Company<br>Deputy General Manager, General Accounting & Control Department<br>Deputy General Manager, Finance Department<br>General Manager, General Affairs Department<br>Deputy General Manager, General Affairs Division<br>General Manager, Legal Department<br>General Manager, Tokyo Branch Office<br>Appointed as Director as a Full-time Audit and Supervisory Committee Member (to present)   | *2   | 10                                     |
| Director<br>(Audit and<br>Supervisory<br>Committee<br>Member)              | Katsuhiro Umeyama | July 29, 1965     | March 1994<br>July 1999<br><br>August 1999<br>October 1999<br><br>November 2005<br><br>July 2009<br><br>June 2012<br>November 2015<br><br>June 2016 | Registered as certified public accountant<br>Opened Umeyama Certified Public Accountant Office<br>Registered as a certified tax accountant<br>Opened Umeyama Certified Tax Accountant Office (currently Umeyama Certified Tax Accountant LLC)<br>Appointed as Outside Auditor of KURAUDIA Co., Ltd. (currently KURAUDIA HOLDINGS Co., Ltd.)<br>Appointed as Representative Partner of Umeyama Certified Tax Accountant LLC (to present)<br>Appointed as Auditor of the Company<br>Appointed as Outside Director (Audit and Supervisory Committee Member), KURAUDIA Co., Ltd. (currently KURAUDIA HOLDINGS Co., Ltd.) (to present)<br>Appointed as Director as an Audit and Supervisory Committee Member of the Company (to present) | *2   | -                                      |
| Director<br>(Audit and<br>Supervisory<br>Committee<br>Member)              | Masao Yamazaki    | June 16, 1956     | April 1975<br>July 2010<br><br>July 2016<br><br>August 2017<br>September 2017<br><br>June 2018  | Joined Osaka Regional Taxation Bureau<br>Appointed as Director, Minato Tax Office, Osaka Regional Taxation Bureau<br>Appointed as Director, Higashi Tax Office, Osaka Regional Taxation Bureau<br>Registered as certified tax accountant<br>Opened Masao Yamazaki Certified Tax Accountant Office<br>Appointed as Director as an Audit and Supervisory Committee Member of the Company (to present)   | *2   | -                                      |
| Director<br>(Audit and<br>Supervisory<br>Committee<br>Member)              | Asa Shinkawa      | February 17, 1965 | April 1991<br><br>April 1997<br>January 1998<br><br>January 2001<br><br>April 2019<br><br>June 2020<br><br>June 2021                                | Registered as attorney-at-law<br>Joined Nishimura & Sanada (currently Nishimura & Asahi)<br>Worked at Arnold & Porter<br>Registered as attorney-at-law in New York State, United States<br>Partner, Nishimura & Partners (currently Nishimura & Asahi) (to present)<br>Visiting Professor, The University of Tokyo Graduate Schools for Law and Politics<br>Appointed as Director as an Audit and Supervisory Committee Member of the Company (to present)<br>Appointed as Outside Director of Tokyo Electric Power Company Holdings, Inc. (to present)   | *2   | -                                      |
| Total  |                   |                   |   |   |      | 170                                    |

- (Notes) 1. Directors, Mr. Chris Meledandri, Mr. Katsuhiro Umeyama, Mr. Masao Yamazaki and Ms. Asa Shinkawa are Outside Directors.
2. \*1 The term of office of Directors (excluding those who are Audit and Supervisory Committee Members) commenced at the close of the Annual General Meeting of Shareholders for the fiscal year ended March 31, 2023, and expires at the close of the Annual General Meeting of Shareholders for the fiscal year ending March 31, 2024.



3. \*2 The term of office of Directors who are Audit and Supervisory Committee Members commenced at the close of the Annual General Meeting of Shareholders for the fiscal year ended March 31, 2022 and expires at the close of the Annual General Meeting of Shareholders for the fiscal year ending March 31, 2024.
4. The Company has adopted the Executive Officer System since June 29, 2016 for the purpose of clarifying the responsibility for the execution of operations and establishing a more flexible management structure which can appropriately and swiftly respond to the rapidly changing business environment through the separation of the management decision-making and supervisory functions from the execution of operations, as well as by accelerating the delegation of authority to execute operations. Nine executive officers, excluding those who have the concurrent position as Director, are as follows.

| Title   | Name               |
|---|--------------------|
| Senior Executive Officer<br>General Manager, Manufacturing Division   | Hirokazu Shinshi   |
| Senior Executive Officer<br>Deputy General Manager, Entertainment Planning & Development Division           | Yoshiaki Koizumi   |
| Senior Executive Officer<br>General Manager, Corporate Planning Department                                  | Yusuke Beppu       |
| Executive Officer<br>Senior Officer, Entertainment Planning & Development Division                          | Takashi Tezuka     |
| Executive Officer<br>General Manager, Finance Administration Division<br>In charge of Investor Relations    | Hajime Murakami    |
| Executive Officer<br>General Manager, General Affairs Division<br>In charge of Quality Assurance Department | Kentaro Yamagishi  |
| Executive Officer<br>President, Nintendo of America Inc.  | Doug Bowser        |
| Executive Officer<br>President, Nintendo of Europe GmbH   | Stephan Bole       |
| Executive Officer<br>General Manager, Global Communications Division  | Yoshiaki Kuratsune |

(ii) Status of outside officers

(a) Status of appointment of Outside Directors

The Company has appointed four Outside Directors (three of whom are Audit and Supervisory Committee Members).

Outside Director Mr. Chris Meledandri has been appointed to provide valuable advice, while appropriately supervising the Company's management from an objective perspective, based on his broad experience and insight gained as a CEO and in the field of entertainment.

Outside Directors Mr. Katsuhiko Umeyama, Mr. Masao Yamazaki and Ms. Asa Shinkawa have been appointed to audit and supervise the Company's management in an appropriate manner from an objective standpoint as Audit and Supervisory Committee Members based on their wealth of experience and broad knowledge in their respective fields of corporate accounting, taxation and legal affairs.

Of note, no material conflict of interest exists between Outside Directors and the Company. All Outside Directors have met the standards for independent officers prescribed by Tokyo Stock Exchange, Inc.

(b) Description of standards or policies on independence from the Company for appointment of Outside Directors

The Company has not established specific standards or policies on the independence of Outside Directors but uses the criteria for determining the independence of independent officers prescribed in the "Guidelines Concerning Listing Examination, etc." of Tokyo Stock Exchange, Inc. as reference when appointing Outside Directors. In addition, importance is placed on whether or not they are capable of giving objective advice from an impartial standpoint, are of excellent caliber, and have expertise and experience.

(iii) Collaboration between supervision by Outside Directors and internal audits and audits by Audit and Supervisory Committee as well as accounting audits, and relationship with internal control division

In principle, the Company's Outside Directors (Audit and Supervisory Committee Members) attend not only Audit and Supervisory Committee meetings held monthly but also audit briefings of the Accounting Auditor where they share opinions. Furthermore, at Audit and Supervisory Committee meetings, Outside Directors receive an explanation of the operational audits conducted in the month and the results of such audits from the full-time Audit and Supervisory Committee Members, and receive timely reports on the results of internal audits by the Internal Auditing Department.

**(3) Status of audits**

(i) Status of audits by Audit and Supervisory Committee

The Audit and Supervisory Committee Members attend meetings of the Board of Directors and other important meetings, inspect important documents, have regular meetings with the President and hold monthly meetings of the Audit and Supervisory Committee as a general rule to share audit opinions. Furthermore, the full-time Audit and Supervisory Committee Member conducts fieldwork auditing over each division of the Company, etc., based on the annual audit plan. In collaboration with the internal auditing division, the Audit and Supervisory Committee receives timely reports on internal audit results from the Internal Auditing Department and exchanges opinions periodically. In collaboration with the Accounting Auditor, the Audit and Supervisory Committee witnesses physical inventory checks at the end of the period or receives reports on such physical inventory checks, witnesses accounting audits conducted on major subsidiaries, etc. and receives an explanation of the accounting audit plan and accounting audit results on a regular basis. The Audit and Supervisory Committee also exchanges information and opinions as necessary and forms an opinion on the appropriateness of the audit by the Accounting Auditor.

Among the Audit and Supervisory Committee Members, two Outside Directors are certified public accountants or certified tax accountants and have considerable financial and accounting knowledge.

In the fiscal year ended March 31, 2023, the Audit and Supervisory Committee held 14 meetings; the attendance status of each Audit and Supervisory Committee Member is as follows.

| Classification  | Name              | Number of meetings held | Number of meetings attended |
|---|-------------------|-------------------------|-----------------------------|
| Director (Full-time Audit and Supervisory Committee Member) | Takuya Yoshimura  | 10 (Note)               | 10 (Note)                   |
| Outside Director (Audit and Supervisory Committee Member)   | Katsuhiko Umeyama | 14                      | 14                          |
| Outside Director (Audit and Supervisory Committee Member)   | Masao Yamazaki    | 14                      | 14                          |
| Outside Director (Audit and Supervisory Committee Member)   | Asa Shinkawa      | 14                      | 14                          |

(Note) Mr. Takuya Yoshimura was appointed Director (Full-time Audit and Supervisory Committee Member) on June 29, 2022, and his attendance is shown for meetings held on or after that date.

(ii) Status of internal audits

For internal audits, the Internal Auditing Department of the Company consisting of seven members conducts operational audits with respect to the Company and its subsidiaries in view of the effectiveness and efficiency of operations, asset preservation status and compliance as a dedicated division that is independent of divisions that execute operations. In order to ensure the appropriateness and reliability of financial reporting, the Internal Auditing Department manages internal controls and assesses the implementation status of such controls in compliance with the Financial Instruments and Exchange Act. The results of these audits are directly reported at regular meetings with the Representative Director and President and the Audit and Supervisory Committee Members.

Furthermore, the respective divisions in charge of internal audit established in major subsidiaries collaborate with the Internal Auditing Department and divide auditing tasks between them. Similar audits, etc. are conducted centering on major subsidiaries.

(iii) Status of accounting audits

To the extent that investigation is possible, the Company confirmed that it had concluded an auditing agreement with PricewaterhouseCoopers Kyoto (formerly Hisaji Miyamura Office) on accounting audits pursuant to the Companies Act and the Financial Instruments and Exchange Act since 1962. In close collaboration with the Audit and Supervisory Committee Members and the Internal Auditing Department, the Accounting Auditor reports audit plans and audit results, exchanges necessary information and opinions even during the period, and conducts audits in an effective and efficient manner. The names of certified public accountants (CPAs) who performed the work and assistants engaged in audit work in the fiscal year ended March 31, 2023 were as follows.

CPAs who performed accounting audit work

Engagement Partner                      Keiichiro Kagi

Engagement Partner                      Ryo Eguchi

Assistants engaged in accounting audit work: Three CPAs and 13 other persons

\* Other persons are persons who passed the CPA examination, persons in charge of system auditing, etc.

(iv) Policy and reason for appointment of audit firm and evaluation of audit firm by Audit and Supervisory Committee

The Company's policy for determining the termination or nonrenewal of appointment of the Accounting Auditor is: in the event that the Accounting Auditor is deemed to have met any of the grounds set forth in the clauses of Article 340, Paragraph 1 of the Companies Act, the Audit and Supervisory Committee shall terminate the appointment of the Accounting Auditor subject to the unanimous consent of the Audit and Supervisory Committee Members. In addition, should the Accounting Auditor be deemed unable to execute its duties properly or should the replacement of the Accounting Auditor be deemed reasonable in order to enhance the appropriateness of the audits, the Audit and Supervisory Committee shall determine the details of the proposal to terminate or not reappoint the Accounting Auditor for submission to the General Meeting of Shareholders.

The Audit and Supervisory Committee has acknowledged that the Accounting Auditor's audit methods and results are reasonable, having collected information on the Accounting Auditor's independence, audit system, audit implementation status, quality, etc. from the Company's accounting division, internal auditing division and the Accounting Auditor itself. The Audit and Supervisory Committee has also determined that it would be appropriate to reappoint PricewaterhouseCoopers Kyoto, having evaluated that PricewaterhouseCoopers Kyoto can be expected to continue conducting appropriate audits, based on the policy for determining the termination or nonrenewal of appointment of the Accounting Auditor and other evaluation standards.

(v) Compensation for audits, etc.

(a) Breakdown of compensation for auditing CPAs, etc.

| Classification            | Fiscal year ended March 31, 2022 |                        | Fiscal year ended March 31, 2023 |                       |                        |                       |
|---------------------------|----------------------------------|------------------------|----------------------------------|-----------------------|------------------------|-----------------------|
|                           | Audit compensation               | Non-audit compensation | Audit compensation               |                       | Non-audit compensation |                       |
|                           | (Millions of yen)                | (Millions of yen)      | (Millions of yen)                | (Millions of dollars) | (Millions of yen)      | (Millions of dollars) |
| Reporting company         | 80                               | -                      | 81                               | 0                     | -                      | -                     |
| Consolidated subsidiaries | 36                               | -                      | 36                               | 0                     | -                      | -                     |
| Total                     | 116                              | -                      | 117                              | 0                     | -                      | -                     |

(b) Breakdown of compensation for persons belonging to the same network as auditing CPAs, etc.

| Classification            | Fiscal year ended March 31, 2022 |                        | Fiscal year ended March 31, 2023 |                       |                        |                       |
|---------------------------|----------------------------------|------------------------|----------------------------------|-----------------------|------------------------|-----------------------|
|                           | Audit compensation               | Non-audit compensation | Audit compensation               |                       | Non-audit compensation |                       |
|                           | (Millions of yen)                | (Millions of yen)      | (Millions of yen)                | (Millions of dollars) | (Millions of yen)      | (Millions of dollars) |
| Reporting company         | -                                | 27                     | -                                | -                     | 24                     | 0                     |
| Consolidated subsidiaries | 217                              | 93                     | 263                              | 1                     | 65                     | 0                     |
| Total                     | 217                              | 121                    | 263                              | 1                     | 89                     | 0                     |

(c) Description of non-audit services by auditing CPAs, etc. to the reporting company

(Fiscal year ended March 31, 2022)

Not applicable.

(Fiscal year ended March 31, 2023)

Not applicable.

(d) Description of non-audit services by auditing CPAs, etc. to consolidated subsidiaries

(Fiscal year ended March 31, 2022)

Not applicable.

(Fiscal year ended March 31, 2023)

Not applicable.

(e) Description of non-audit services by a firm in the same network as auditing CPAs, etc. to the reporting company

(Fiscal year ended March 31, 2022)

Non-audit services for which the Company pays a firm in the same network as the auditing CPAs, etc. consist of such services as tax-related advisory services.

(Fiscal year ended March 31, 2023)

Non-audit services for which the Company pays a firm in the same network as the auditing CPAs, etc. consist of such services as tax-related advisory services.

(f) Description of non-audit services by a firm in the same network as auditing CPAs, etc. to consolidated subsidiaries

(Fiscal year ended March 31, 2022)

Non-audit services for which consolidated subsidiaries pay a firm in the same network as the auditing CPAs, etc. consist of such services as tax-related advisory services.

(Fiscal year ended March 31, 2023)

Non-audit services for which consolidated subsidiaries pay a firm in the same network as the auditing CPAs, etc. consist of such services as tax-related advisory services.

(g) Description of other significant compensation

(Fiscal year ended March 31, 2022)

Not applicable.

(Fiscal year ended March 31, 2023)

Not applicable.

(h) Policy for determination of compensation for audits

The Company determines the amount of compensation for audits to the audit firm in consideration of the retention of independence of the audit firm, the characteristics of services and the number of days taken to conduct audits.

(i) Reason why Audit and Supervisory Committee agreed on amount of compensation, etc. for auditing CPAs, etc.

The Audit and Supervisory Committee determined that the Accounting Auditor's compensation, etc. for this fiscal year is appropriate and agreed on it as a result of the review of information collected from the Company's relevant departments—i.e., the General Accounting & Control Department and the Internal Auditing Department—regarding the contents of the audit plan, the basis of calculating the compensation estimate and a comparison with previous audit details, and the Accounting Auditor's compensation with necessary materials reported and submitted by the Accounting Auditor.

#### **(4) Compensation for officers, etc.**

(i) Policy, etc. for the determination of compensation, etc. for officers or calculation method thereof

The Company has established the following policy (hereinafter referred to as the "Decision Policy") for determining the details of compensation to individual Directors. The Decision Policy was established by resolution of the Board of Directors, after deliberation by the Nomination Advisory Committee.

The compensation for the Company's Directors who are not Audit and Supervisory Committee Members and Directors who are Audit and Supervisory Committee Members is determined within their respective upper limits which are established by resolution of the General Meeting of Shareholders.

The Company uses results of a compensation survey by an external research agency as a reference for setting compensation standards, etc. The Company has also established a system in which matters related to compensation are deliberated in advance at a non-mandatory Nomination Advisory Committee, mainly consisting of Outside Directors, and reported to the Board of Directors.

(a) Compensation for Directors (excluding Audit and Supervisory Committee Members)

Compensation for Directors (excluding Audit and Supervisory Committee Members) consists of fixed compensation, performance-based compensation as short-term incentives, and stock compensation as long-term incentives. However, compensation for Outside Directors consists solely of fixed compensation, in view of their position of providing supervision and advice on management, without engaging in business execution.

The Company has not determined specific relative proportions of fixed compensation, performance-based compensation, and stock compensation.

i) Fixed compensation

The amount of fixed compensation to individual Directors is decided by the Representative Director and President, under authority delegated by the Board of Directors, based on each Director's position and responsibilities, including whether or not he or she engages in business execution. Fixed compensation is paid in the same amount monthly.

ii) Performance-based compensation

The performance-based compensation is calculated using a formula that uses consolidated operating profit as a benchmark and is determined by the Board of Directors based on points corresponding to each Director's position, within the cap set by a resolution of the Board of Directors. It is paid at a designated time each year. In addition to that, when both the consolidated operating profit average over the latest three fiscal years including the fiscal year of payment and the consolidated operating profit in the fiscal year of payment exceed the amount set by resolution of the General Meeting of Shareholders, the amount calculated with a formula set by the General Meeting of Shareholders in advance is added.

iii) Stock compensation

Stock compensation is paid with restricted stock. The number of shares allocated to each Director is decided according to the Director's position by resolution of the Board of Directors, and the compensation is paid at a designated time each year. Restrictions on the transfer of shares are lifted when the Director leaves both the offices of Director and Executive Officer.

(b) Compensation for Directors (Audit and Supervisory Committee Members)

Compensation for Directors (Audit and Supervisory Committee Members) consists only of fixed compensation in view of the fact that they are in the position of engaging in audit and supervision duties independently from Directors who execute operations. Individual compensation amounts are determined through discussion between Audit and Supervisory Committee Members, and paid in the same amount monthly.

(Note) Calculation method of performance-based compensation for each Director (excluding Audit and Supervisory Committee Members)

Performance-based compensation for each Director (excluding Audit and Supervisory Committee Members) uses consolidated operating profit as a benchmark, in order to raise awareness regarding improvement of business performance. It is calculated using the following formula:

- Consolidated operating profit  $\times$  0.2%  $\times$  Number of points of each Director  $\div$  Sum total of Directors' points\*

However, if the amount derived by multiplying the consolidated operating profit by 0.2% exceeds ¥800 million (USD 6 million), the upper limit will be ¥800 million (USD 6 million).

\* The sum total of Directors' points shall be set at 20.0 (fixed) if it falls short of 20.0.

Director's points by position and number of Directors

| Position                                       | Points | Number of Directors (persons) | Total points |
|--|--------|-------------------------------|--------------|
| Representative Director and President          | 6.0    | 1                             | 6.0          |
| Representative Director and Fellow             | 4.5    | 1                             | 4.5          |
| Director and Senior Managing Executive Officer | 4.5    | 1                             | 4.5          |
| Director and Managing Executive Officer        | 3.0    | 1                             | 3.0          |
| Director and Senior Executive Officer          | 2.0    | 1                             | 2.0          |
| Sum total                                      | -      | 5                             | 20.0         |

(Note) The above is calculated based on the number of Directors as of June 26, 2023.

- In the event that the consolidated operating profit average over the latest three fiscal years (including the fiscal year of payment) exceeds ¥400.0 billion (USD 3,007 million) and the consolidated operating profit in the fiscal year of payment exceeds ¥400.0 billion (USD 3,007 million), the following is added:

[Consolidated operating profit average over the latest three fiscal years (including the fiscal year of payment) – ¥400.0 billion (USD 3,007 million)]  $\times$  0.02%

However, if the amount derived by multiplying the consolidated operating profit average over the latest three fiscal years (including the fiscal year of payment) less ¥400.0 billion (USD 3,007 million) by 0.02% exceeds ¥40 million (USD 0 million), the upper limit will be ¥40 million (USD 0 million).

#### Matters of note

- Directors refer to executive officers set forth in Article 34, paragraph (1), item (iii) of the Corporation Tax Act.
- “Indicator of the status of profit in the business year ending on or after the first day of the period in which duties pertaining to such remuneration are performed” provided for in Article 34, paragraph (1), item (iii)(a) of the Corporation Tax Act shall mean consolidated operating profit.
- No target has been set for consolidated operating profit, which is the benchmark for performance-based compensation, as described in “II. Business Overview, 1. Management policy, management environment, issues to address, (2) Targeted management index.” Consolidated operating profit results for the fiscal year ended March 31, 2023 were as stated under “V. Financial Information, Consolidated financial statements, etc., (1) Consolidated financial statements, (ii) Consolidated statements of income and consolidated statements of comprehensive income.”
- The amount of consolidated operating profit and consolidated operating profit average used to calculate the amount of performance-based compensation shall be rounded down to the nearest hundred million yen. However, with respect to the performance-based compensation addition requirement, for the purpose of determining whether or not the amount of consolidated operating profit and consolidated operating profit average exceeds ¥400.0 billion (USD 3,007 million), the amount shall be calculated in a unit of one yen.
- If a Director has resigned before the expiry of his/her term of office due to unavoidable circumstances, the amount corresponding to the number of months he/she was in office from the time of commencement of such period up to the end of the period (number of days falling short of one month shall be rounded up to one month) shall be paid. However, the amount shall not be prorated with respect to the number of months in cases where a Director resigns after the end of the period.

#### (ii) Resolutions by the General Meeting of Shareholders regarding compensation, etc. for officers

A resolution was adopted at the 82nd Annual General Meeting of Shareholders on June 29, 2022 to classify the compensation to Directors (excluding Audit and Supervisory Committee Members) into i) fixed compensation, ii) performance-based compensation, and iii) stock compensation and set the respective upper limits as follows. (These limits do not include portions of their remuneration or bonuses as employees.) There were six Directors (excluding Audit and Supervisory Committee Members but including one Outside Director) at the conclusion of the 82nd Annual General Meeting of Shareholders.

- i) Fixed compensation: Not exceeding ¥500 million (USD 3 million) per year (including ¥50 million (USD 0 million) for Outside Directors)
- ii) Performance-based compensation: Not exceeding 0.2% of consolidated operating profit for the relevant fiscal year. Additionally, if the consolidated operating profit average over the latest three fiscal years (including the fiscal year of payment) exceeds ¥400.0 billion (USD 3,007 million) and the consolidated operating profit in the fiscal year of payment exceeds ¥400.0 billion (USD 3,007 million), each Director (excluding Audit and Supervisory Committee Members and Outside Directors) shall be paid up to an additional 0.02% of the consolidated operating profit average over the latest three fiscal years (including the fiscal year of payment) less ¥400.0 billion (USD 3,007 million).
- iii) Stock compensation: Monetary compensation claims not exceeding ¥100 million (USD 0 million) per year to be paid for granting restricted stock and the number of shares not exceeding 10,000 shares per year.

(Note) The Company enacted a 10-for-1 stock split of its common stock with an effective date of October 1, 2022. The maximum number of shares shown above is the number after adjusting for this stock split.

At the 76th Annual General Meeting of Shareholders on June 29, 2016, a resolution was adopted to establish an upper limit on compensation to Directors (Audit and Supervisory Committee Members) of ¥100 million (USD 0 million) per year. There were four Directors (Audit and Supervisory Committee Members) at the conclusion of the 76th Annual General Meeting of Shareholders.

(iii) Total amount of compensation, etc. by officer classification, total amount of compensation by type, and number of eligible officers at the reporting company

| Officer classification  | Total amount of compensation, etc. (Millions of yen) | Total amount of compensation, etc. by type (Millions of yen) |                                |                               | Number of eligible officers (persons) |
|---|--|--|--------------------------------|-------------------------------|---------------------------------------|
|   |  | Fixed compensation   | Performance-based compensation | Restricted stock compensation |                                       |
| Directors who are not Audit and Supervisory Committee Members (excluding Outside Directors) | 1,191  | 186  | 979                            | 26                            | 5                                     |
| Directors who are Audit and Supervisory Committee Members (excluding Outside Directors)     | 32   | 32   | -                              | -                             | 2                                     |
| Outside Officers  | 40   | 40   | -                              | -                             | 4                                     |

| Officer classification  | Total amount of compensation, etc. (Millions of dollars) | Total amount of compensation, etc. by type (Millions of dollars) |                                |                               | Number of eligible officers (persons) |
|---|--|--|--------------------------------|-------------------------------|---------------------------------------|
|   |  | Fixed compensation   | Performance-based compensation | Restricted stock compensation |                                       |
| Directors who are not Audit and Supervisory Committee Members (excluding Outside Directors) | 8  | 1  | 7                              | 0                             | 5                                     |
| Directors who are Audit and Supervisory Committee Members (excluding Outside Directors)     | 0  | 0  | -                              | -                             | 2                                     |
| Outside Officers  | 0  | 0  | -                              | -                             | 4                                     |

- (Notes) 1. The amount of compensation to Directors (excluding Audit and Supervisory Committee Members) is determined at the Board of Directors meeting held after the Annual General Meeting of Shareholders and the amount of compensation to Directors (Audit and Supervisory Committee Members) is determined subject to discussion among Audit and Supervisory Committee Members at the meeting of the Audit and Supervisory Committee held after said Board of Directors' meeting for their respective terms of office (limited to cases in which there is reelection associated with expiry of term of office).
2. The details of compensation to individual Directors (excluding Audit and Supervisory Committee Members) for the fiscal year ended March 31, 2023 were determined in accordance with the Decision Policy established by resolution of the Board of Directors after deliberation by the Nomination Advisory Committee. Regarding compensation paid, the amounts of fixed compensation were decided by the Representative Director and President based on each Director's position and responsibilities, including whether or not he or she engages in the execution of operations, and the amounts of performance-based compensation were calculated using a formula determined by the Board of Directors. The Board of Directors therefore deems these amounts to be in compliance with the Decision Policy.
3. The Company judges that the Representative Director and President is most aptly suited to carrying out comprehensive evaluation of each Director's responsibilities. Decisions regarding the amounts of fixed compensation to individual Directors (excluding Audit and Supervisory Committee Members) for the fiscal year ended March 31, 2023 have therefore been delegated to the Company's Representative Director and President, Mr. Shuntaro Furukawa. Before deciding on these amounts of compensation, they are subject to deliberation by the non-mandatory Nomination Advisory Committee.
4. Employee salaries (including bonuses) paid to Directors who also serve as employees, which amounted to ¥118 million (USD 0 million), are not included in the above amounts.
5. The amount of compensation and number of officers eligible for compensation for Directors who are Audit and Supervisory Committee Members include compensation for one Director (Audit and Supervisory Committee Member) who retired at the conclusion of the 82nd Annual General Meeting of Shareholders on June 29, 2022.
6. The amount of restricted stock compensation is the amount expensed in the fiscal year ended March 31, 2023.



## (iv) Total amount, etc. of compensation on a consolidated basis, etc. by officer at the reporting company

| Name              | Total amount of compensation on a consolidated basis, etc. (Millions of yen) | Officer classification  | Company classification | Amount of compensation on a consolidated basis, etc. by type (Millions of yen) |                                |                               |
|-------------------|--|---|------------------------|--|--------------------------------|-------------------------------|
|                   |  |   |                        | Fixed compensation   | Performance-based compensation | Restricted stock compensation |
| Shuntaro Furukawa | 362  | Director who is not an Audit and Supervisory Committee Member | Reporting company      | 78   | 275                            | 8                             |
| Shigeru Miyamoto  | 292  | Director who is not an Audit and Supervisory Committee Member | Reporting company      | 72   | 215                            | 4                             |
| Shinya Takahashi  | 232  | Director who is not an Audit and Supervisory Committee Member | Reporting company      | 12   | 215                            | 4                             |
| Satoru Shibata    | 172  | Director who is not an Audit and Supervisory Committee Member | Reporting company      | 12   | 155                            | 4                             |
| Ko Shiota         | 132  | Director who is not an Audit and Supervisory Committee Member | Reporting company      | 12   | 115                            | 4                             |

| Name              | Total amount of compensation on a consolidated basis, etc. (Millions of dollars) | Officer classification  | Company classification | Amount of compensation on a consolidated basis, etc. by type (Millions of dollars) |                                |                               |
|-------------------|--|---|------------------------|--|--------------------------------|-------------------------------|
|                   |  |   |                        | Fixed compensation   | Performance-based compensation | Restricted stock compensation |
| Shuntaro Furukawa | 2  | Director who is not an Audit and Supervisory Committee Member | Reporting company      | 0  | 2                              | 0                             |
| Shigeru Miyamoto  | 2  | Director who is not an Audit and Supervisory Committee Member | Reporting company      | 0  | 1                              | 0                             |
| Shinya Takahashi  | 1  | Director who is not an Audit and Supervisory Committee Member | Reporting company      | 0  | 1                              | 0                             |
| Satoru Shibata    | 1  | Director who is not an Audit and Supervisory Committee Member | Reporting company      | 0  | 1                              | 0                             |
| Ko Shiota         | 0  | Director who is not an Audit and Supervisory Committee Member | Reporting company      | 0  | 0                              | 0                             |

(Note) The amount of restricted stock compensation is the amount expensed in the fiscal year ended March 31, 2023.

## (5) Shareholding status

### (i) Criteria for and approach to classification of investment shares

In principle, it is the Company's policy not to hold any investment shares for pure investment purposes; the Company exclusively holds investment shares for purposes other than pure investment in accordance with its shareholding policy.

### (ii) Investment shares held for purposes other than pure investment

#### (a) Shareholding policy, method of verifying the rationality of shareholding and verification at Board of Directors meetings, etc. as to whether or not to hold individual issues

The Company holds investment shares for the purpose of maintaining and developing business alliances and business relationships if it is deemed to contribute to improving corporate value over the medium- to long-term. At its meetings, the Board of Directors confirms the purpose and rationality of holding individual investment shares (limited to listed stocks) and then verifies the propriety of holding such shares on an annual basis in light of the Company's shareholding policy. As a result of this verification, the Company considers the disposal of investment shares whose significance of holding is deemed to have diminished, with the aim of reducing such holdings.

#### (b) Number of issues and book value

|                                   | Number of issues<br>(issues) | Total amount stated on balance sheet |                       |
|-----------------------------------|------------------------------|--------------------------------------|-----------------------|
|                                   |                              | (Millions of yen)                    | (Millions of dollars) |
| Unlisted stocks                   | 17                           | 6,704                                | 50                    |
| Stocks other than unlisted stocks | 13                           | 71,869                               | 540                   |

#### Issues with increased number of shares in the fiscal year ended March 31, 2023

|                                      | Number of<br>issues<br>(issues) | Total amount of acquisition associated<br>with increase in number of shares |                       | Reason for increase in<br>number of shares  |
|--------------------------------------|---------------------------------|---|-----------------------|---|
|                                      |                                 | (Millions of yen)   | (Millions of dollars) |   |
| Unlisted stocks                      | 1                               | 500   | 3                     | To achieve smoother<br>collaboration and maintain<br>and develop the business<br>relationship |
| Stocks other than<br>unlisted stocks | -                               | -   | -                     | -   |

#### Issues with decreased number of shares in the fiscal year ended March 31, 2023

|                                      | Number of<br>issues<br>(issues) | Total amount of sale associated with<br>decrease in number of shares |                       |
|--------------------------------------|---------------------------------|--|-----------------------|
|                                      |                                 | (Millions of yen)  | (Millions of dollars) |
| Unlisted stocks                      | -                               | -  | -                     |
| Stocks other than<br>unlisted stocks | 1                               | 23   | 0                     |

## (c) Information on number of specific investment shares and deemed shareholdings by issue, book value, etc.

## Specific investment shares

| Issue                                      | Fiscal year ended<br>March 31, 2023   |   | Fiscal year ended<br>March 31, 2022 | Shareholding purpose, overview of business<br>alliance or similar relationship, quantitative<br>shareholding effect and reason for increase in<br>number of shares   | Holder of<br>the<br>Company's<br>shares |
|--|---------------------------------------|---|-------------------------------------|--|---|
|  | Number of shares<br>(Shares)          |   | Number of shares<br>(Shares)        |  |   |
|  | Book<br>value<br>(Millions<br>of yen) | Book<br>value<br>(Millions<br>of dollars) | Book value<br>(Millions of yen)     |  |   |
| BANDAI NAMCO<br>Holdings Inc.              | 3,845,700                             |   | 3,845,700                           | Shares are held for the purpose of maintaining<br>and developing a stable business relationship<br>with this company, which develops software for<br>the Company's platforms.  | No                                      |
|  | 32,863                                | 247                                       | 35,734                              |  |   |
| DeNA Co., Ltd.                             | 15,081,000                            |   | 15,081,000                          | Shares are held for the purpose of maintaining<br>and developing a stable business relationship<br>with this company, with the aim of promoting<br>business collaboration on the development,<br>operation, etc. of the Nintendo account system<br>and applications for smart devices. | Yes                                     |
|  | 27,266                                | 205                                       | 28,050                              |  |   |
| The Bank of Kyoto,<br>Ltd.                 | 753,459                               |   | 753,459                             | Shares of this company, with which the<br>Company engages in financial transactions, are<br>held for the purpose of preparing against<br>business risks, etc. and maintaining a strong<br>financial base into the future.  | Yes                                     |
|  | 4,709                                 | 35  | 4,031                               |  |   |
| KADOKAWA<br>CORPORATION                    | 1,224,400                             |   | 1,224,400                           | The Company uses services, etc. operated and<br>provided by this company's subsidiary. Shares<br>are held for the purpose of maintaining and<br>developing a stable business relationship with<br>this company and its subsidiary.   | No                                      |
|  | 3,450                                 | 25  | 3,942                               |  |   |
| Mitsubishi UFJ<br>Financial Group,<br>Inc. | 1,865,870                             |   | 1,865,870                           | Shares of this company, with which the<br>Company engages in financial transactions, are<br>held for the purpose of preparing against<br>business risks, etc. and maintaining a strong<br>financial base into the future.  | No* <sup>1</sup>                        |
|  | 1,582                                 | 11  | 1,418                               |  |   |
| SQUARE ENIX<br>HOLDINGS CO.,<br>LTD.       | 91,252                                |   | 91,252                              | Shares are held for the purpose of maintaining<br>and developing a stable business relationship<br>with this company, which develops software for<br>the Company's platforms.  | No                                      |
|  | 580                                   | 4   | 495                                 |  |   |
| KONAMI GROUP<br>CORPORATION                | 63,734                                |   | 63,734                              | Shares are held for the purpose of maintaining<br>and developing a stable business relationship<br>with this company, which develops software for<br>the Company's platforms.  | No                                      |
|  | 386                                   | 2   | 493                                 |  |   |
| TOPPAN<br>PRINTING CO.,<br>LTD.            | 182,885                               |   | 182,885                             | Shares are held for the purpose of maintaining<br>and developing a stable business relationship<br>with this company, with which the Company<br>has transactions for printed materials.  | No                                      |
|  | 487                                   | 3   | 396                                 |  |   |
| Resona Holdings,<br>Inc.                   | 323,769                               |   | 323,769                             | Shares of this company, with which the<br>Company engages in financial transactions, are<br>held for the purpose of preparing against<br>business risks, etc. and maintaining a strong<br>financial base into the future.  | No* <sup>2</sup>                        |
|  | 207                                   | 1   | 169                                 |  |   |
| KOEI TECMO<br>HOLDINGS CO.,<br>LTD.        | 49,274                                |   | 24,637                              | Shares are held for the purpose of maintaining<br>and developing a stable business relationship<br>with this company, which develops software for<br>the Company's platforms.  | No                                      |
|  | 117                                   | 0   | 98                                  |  |   |
| SANSHIN<br>ELECTRONICS<br>CO., LTD.        | 50,180                                |   | 50,180                              | Shares are held for the purpose of maintaining<br>and developing a stable business relationship<br>with this company, which handles<br>semiconductors and electronic components.   | Yes                                     |
|  | 120                                   | 0   | 80                                  |  |   |
| Nissha Co., Ltd.                           | 39,104                                |   | 52,104                              | Shares are held for the purpose of maintaining<br>and developing a stable business relationship<br>with this company, which supplies the<br>Company with electronic components.  | Yes                                     |
|  | 72                                    | 0   | 75                                  |  |   |

| Issue                               | Fiscal year ended<br>March 31, 2023   |   | Fiscal year ended<br>March 31, 2022 | Shareholding purpose, overview of business<br>alliance or similar relationship, quantitative<br>shareholding effect and reason for increase in<br>number of shares   | Holder of<br>the<br>Company's<br>shares |
|-------------------------------------|---------------------------------------|---|-------------------------------------|--|---|
|                                     | Number of shares<br>(Shares)          |   | Number of shares<br>(Shares)        |  |   |
|                                     | Book<br>value<br>(Millions<br>of yen) | Book<br>value<br>(Millions<br>of dollars) | Book value<br>(Millions of yen)     |  |   |
| TV TOKYO<br>Holdings<br>Corporation | 10,000                                |   | 10,000                              | Shares are held for the purpose of maintaining<br>and developing a stable business relationship<br>with this company, with which the Company<br>has business such as the broadcasting of<br>television programs. | No                                      |
|                                     | 24                                    | 0   | 19                                  |  |   |

- (Notes)
1. At its meetings, the Board of Directors confirms the purpose and rationality of holding the specific investment shares listed above and then verifies the propriety of holding such shares on an annual basis in light of the Company's shareholding policy; however, it is difficult to describe the quantitative effect of holding such shares.
  2. The Company's shares held in trust account(s) are excluded when determining whether or not the counterparty is a holder of the Company's shares.
  3. \*1 Mitsubishi UFJ Financial Group, Inc. is an indirect holder of the Company's shares through its subsidiary MUFG Bank, Ltd., etc.
  4. \*2 Resona Holdings, Inc. is an indirect holder of the Company's shares through its subsidiary Resona Bank, Limited.

## V. Financial Information

### Consolidated financial statements, etc.

#### (1) Consolidated financial statements

##### (i) Consolidated balance sheets

|  | Previous fiscal year<br>(As of March 31, 2022) |                  | Current fiscal year<br>(As of March 31, 2023) |                  | (Millions of<br>dollars) |
|--|--|------------------|---|------------------|--------------------------|
|  | (Millions of yen)                              |                  | (Millions of yen)                             |                  |                          |
| <b>Assets</b>                              |  |                  |   |                  |                          |
| Current assets                             |  |                  |   |                  |                          |
| Cash and deposits                          |  | 1,206,506        |   | 1,263,666        | 9,501                    |
| Notes and accounts receivable - trade      | *1   | 141,087          | *1  | 119,932          | 901                      |
| Securities                                 |  | 504,385          |   | 615,699          | 4,629                    |
| Inventories                                | *2   | 204,183          | *2  | 258,628          | 1,944                    |
| Other                                      |  | 70,147           |   | 56,822           | 427                      |
| Allowance for doubtful accounts            |  | (98)             |   | (236)            | (1)                      |
| <b>Total current assets</b>                |  | <b>2,126,212</b> |   | <b>2,314,513</b> | <b>17,402</b>            |
| Non-current assets                         |  |                  |   |                  |                          |
| Property, plant and equipment              |  |                  |   |                  |                          |
| Buildings and structures, net              |  | 42,571           |   | 45,451           | 341                      |
| Tools, furniture and fixtures, net         |  | 4,498            |   | 5,229            | 39                       |
| Machinery, equipment and vehicles, net     |  | 1,477            |   | 1,520            | 11                       |
| Land                                       |  | 35,337           |   | 40,995           | 308                      |
| Construction in progress                   |  | 1,280            |   | 6,311            | 47                       |
| <b>Total property, plant and equipment</b> | *3   | <b>85,164</b>    | *3  | <b>99,509</b>    | <b>748</b>               |
| Intangible assets                          |  |                  |   |                  |                          |
| Software                                   |  | 10,241           |   | 10,205           | 76                       |
| Other                                      |  | 7,073            |   | 8,390            | 63                       |
| <b>Total intangible assets</b>             |  | <b>17,315</b>    |   | <b>18,595</b>    | <b>139</b>               |
| Investments and other assets               |  |                  |   |                  |                          |
| Investment securities                      | *4   | 312,663          | *4  | 276,253          | 2,077                    |
| Retirement benefit asset                   |  | 8,597            |   | 8,911            | 67                       |
| Deferred tax assets                        |  | 87,996           |   | 103,670          | 779                      |
| Other                                      |  | 24,434           |   | 32,830           | 246                      |
| <b>Total investments and other assets</b>  |  | <b>433,692</b>   |   | <b>421,666</b>   | <b>3,170</b>             |
| <b>Total non-current assets</b>            |  | <b>536,172</b>   |   | <b>539,770</b>   | <b>4,058</b>             |
| <b>Total assets</b>                        |  | <b>2,662,384</b> |   | <b>2,854,284</b> | <b>21,460</b>            |

|   | Previous fiscal year<br>(As of March 31, 2022) |           | Current fiscal year<br>(As of March 31, 2023) |                       |
|---|--|-----------|---|-----------------------|
|   | (Millions of yen)                              |           | (Millions of yen)                             | (Millions of dollars) |
| <b>Liabilities</b>                                    |  |           |   |                       |
| Current liabilities                                   |  |           |   |                       |
| Notes and accounts payable - trade                    |  | 150,910   | 149,217                                       | 1,121                 |
| Advances received                                     | *5   | 131,139   | *5 160,758                                    | 1,208                 |
| Provision for bonuses                                 |  | 5,459     | 4,219   | 31                    |
| Income taxes payable                                  |  | 99,520    | 82,550  | 620                   |
| Other   |  | 153,696   | 136,734                                       | 1,028                 |
| Total current liabilities                             |  | 540,726   | 533,480                                       | 4,011                 |
| Non-current liabilities                               |  |           |   |                       |
| Provision for director's compensation                 |  | -         | 133   | 1                     |
| Retirement benefit liability                          |  | 25,063    | 23,084  | 173                   |
| Other   |  | 27,284    | 31,119  | 233                   |
| Total non-current liabilities                         |  | 52,347    | 54,337  | 408                   |
| Total liabilities                                     |  | 593,074   | 587,818                                       | 4,419                 |
| <b>Net assets</b>                                     |  |           |   |                       |
| Shareholders' equity                                  |  |           |   |                       |
| Share capital   |  | 10,065    | 10,065  | 75                    |
| Capital surplus                                       |  | 15,041    | 15,079  | 113                   |
| Retained earnings                                     |  | 2,198,706 | 2,392,704                                     | 17,990                |
| Treasury shares                                       |  | (220,343) | (271,049)                                     | (2,037)               |
| Total shareholders' equity                            |  | 2,003,469 | 2,146,798                                     | 16,141                |
| Accumulated other comprehensive income                |  |           |   |                       |
| Valuation difference on available-for-sale securities |  | 33,199    | 28,028  | 210                   |
| Foreign currency translation adjustment               |  | 32,373    | 91,406  | 687                   |
| Total accumulated other comprehensive income          |  | 65,573    | 119,435                                       | 898                   |
| Non-controlling interests                             |  | 266       | 232   | 1                     |
| Total net assets                                      |  | 2,069,310 | 2,266,466                                     | 17,041                |
| Total liabilities and net assets                      |  | 2,662,384 | 2,854,284                                     | 21,460                |

(ii) Consolidated statements of income and consolidated statements of comprehensive income  
Consolidated statements of income

|   | Previous fiscal year<br>(From April 1, 2021<br>to March 31, 2022) |           | Current fiscal year<br>(From April 1, 2022<br>to March 31, 2023) |                       |        |
|---|---|-----------|--|-----------------------|--------|
|   | (Millions of yen)   |           | (Millions of yen)  |                       |        |
|   |   |           |  | (Millions of dollars) |        |
| Net sales   |   | 1,695,344 |  | 1,601,677             | 12,042 |
| Cost of sales   | *1, *3  | 749,299   | *1, *3   | 716,237               | 5,385  |
| Gross profit  |   | 946,044   |  | 885,440               | 6,657  |
| Selling, general and administrative expenses                  | *2, *3  | 353,283   | *2, *3   | 381,065               | 2,865  |
| Operating profit  |   | 592,760   |  | 504,375               | 3,792  |
| Non-operating income  |   |           |  |                       |        |
| Interest income   |   | 3,317     |  | 25,499                | 191    |
| Share of profit of entities accounted for using equity method |   | 26,672    |  | 26,599                | 199    |
| Foreign exchange gains  |   | 45,626    |  | 39,720                | 298    |
| Other   |   | 3,169     |  | 5,514                 | 41     |
| Total non-operating income                                    |   | 78,786    |  | 97,333                | 731    |
| Non-operating expenses  |   |           |  |                       |        |
| Interest expenses   |   | 281       |  | 122                   | 0      |
| Loss on sale of securities                                    |   | 42        |  | 121                   | 0      |
| Loss on valuation of investment securities                    |   | -         |  | 362                   | 2      |
| Other   |   | 409       |  | 30                    | 0      |
| Total non-operating expenses                                  |   | 733       |  | 637                   | 4      |
| Ordinary profit   |   | 670,813   |  | 601,070               | 4,519  |
| Extraordinary income  |   |           |  |                       |        |
| Gain on sale of non-current assets                            | *4  | 1         | *4   | 48                    | 0      |
| Gain on sale of investment securities                         |   | 347       |  | 20                    | 0      |
| Settlement income   |   | 3,300     |  | -                     | -      |
| Total extraordinary income                                    |   | 3,648     |  | 68                    | 0      |
| Extraordinary losses  |   |           |  |                       |        |
| Loss on disposal of non-current assets                        | *5  | 73        | *5   | 382                   | 2      |
| Total extraordinary losses                                    |   | 73        |  | 382                   | 2      |
| Profit before income taxes                                    |   | 674,389   |  | 600,757               | 4,516  |
| Income taxes - current  |   | 200,469   |  | 180,110               | 1,354  |
| Income taxes - deferred                                       |   | (3,794)   |  | (12,153)              | (91)   |
| Total income taxes  |   | 196,674   |  | 167,957               | 1,262  |
| Profit  |   | 477,714   |  | 432,800               | 3,254  |
| Profit attributable to non-controlling interests              |   | 22        |  | 32                    | 0      |
| Profit attributable to owners of parent                       |   | 477,691   |  | 432,768               | 3,253  |

Consolidated statements of comprehensive income

|  | Previous fiscal year<br>(From April 1, 2021<br>to March 31, 2022) |                   | Current fiscal year<br>(From April 1, 2022<br>to March 31, 2023) |  |
|--|---|-------------------|--|--|
|  | (Millions of yen)   | (Millions of yen) | (Millions of<br>dollars)   |  |
| Profit   | 477,714   | 432,800           | 3,254  |  |
| Other comprehensive income   |   |                   |  |  |
| Valuation difference on available-for-sale securities                                | (417)   | (5,068)           | (38)   |  |
| Foreign currency translation adjustment  | 49,777  | 51,814            | 389  |  |
| Share of other comprehensive income of entities<br>accounted for using equity method | 3,424   | 7,115             | 53   |  |
| Total other comprehensive income   | *1 52,784   | *1 53,861         | 404  |  |
| Comprehensive income   | 530,498   | 486,661           | 3,659  |  |
| Comprehensive income attributable to   |   |                   |  |  |
| Comprehensive income attributable to owners of parent                                | 530,476   | 486,629           | 3,658  |  |
| Comprehensive income attributable to non-controlling<br>interests                    | 22  | 32                | 0  |  |



(iii) Consolidated statements of changes in equity  
 Previous fiscal year (from April 1, 2021 to March 31, 2022)

(Millions of yen)

|  | Shareholders' equity |                 |                   |                 |                            |
|--|----------------------|-----------------|-------------------|-----------------|----------------------------|
|  | Share capital        | Capital surplus | Retained earnings | Treasury shares | Total shareholders' equity |
| Balance as of April 1, 2021                          | 10,065               | 15,043          | 1,993,325         | (156,851)       | 1,861,582                  |
| Changes during period                                |                      |                 |                   |                 |                            |
| Dividends of surplus                                 |                      |                 | (240,702)         |                 | (240,702)                  |
| Profit attributable to owners of parent              |                      |                 | 477,691           |                 | 477,691                    |
| Purchase of treasury shares                          |                      |                 |                   | (95,100)        | (95,100)                   |
| Disposal of treasury shares                          |                      |                 |                   |                 | -                          |
| Cancellation of treasury shares                      |                      | (1)             | (31,607)          | 31,608          | -                          |
| Net changes in items other than shareholders' equity |                      |                 |                   |                 |                            |
| Total changes during period                          | -                    | (1)             | 205,380           | (63,492)        | 141,887                    |
| Balance as of March 31, 2022                         | 10,065               | 15,041          | 2,198,706         | (220,343)       | 2,003,469                  |

|  | Accumulated other comprehensive income                |   |  | Non-controlling interests | Total net assets |
|--|---|---|--|---------------------------|------------------|
|  | Valuation difference on available-for-sale securities | Foreign currency translation adjustment | Total accumulated other comprehensive income |                           |                  |
| Balance as of April 1, 2021                          | 33,571  | (20,782)                                | 12,788                                       | 243                       | 1,874,614        |
| Changes during period                                |   |   |  |                           |                  |
| Dividends of surplus                                 |   |   |  |                           | (240,702)        |
| Profit attributable to owners of parent              |   |   |  |                           | 477,691          |
| Purchase of treasury shares                          |   |   |  |                           | (95,100)         |
| Disposal of treasury shares                          |   |   |  |                           | -                |
| Cancellation of treasury shares                      |   |   |  |                           | -                |
| Net changes in items other than shareholders' equity | (371)   | 53,156                                  | 52,784                                       | 22                        | 52,807           |
| Total changes during period                          | (371)   | 53,156                                  | 52,784                                       | 22                        | 194,695          |
| Balance as of March 31, 2022                         | 33,199  | 32,373                                  | 65,573                                       | 266                       | 2,069,310        |

Current fiscal year (from April 1, 2022 to March 31, 2023)

(Millions of yen)

|  | Shareholders' equity |                 |                   |                 |                            |
|--|----------------------|-----------------|-------------------|-----------------|----------------------------|
|  | Share capital        | Capital surplus | Retained earnings | Treasury shares | Total shareholders' equity |
| Balance as of April 1, 2022                          | 10,065               | 15,041          | 2,198,706         | (220,343)       | 2,003,469                  |
| Changes during period                                |                      |                 |                   |                 |                            |
| Dividends of surplus                                 |                      |                 | (238,770)         |                 | (238,770)                  |
| Profit attributable to owners of parent              |                      |                 | 432,768           |                 | 432,768                    |
| Purchase of treasury shares                          |                      |                 |                   | (50,725)        | (50,725)                   |
| Disposal of treasury shares                          |                      | 37              |                   | 19              | 56                         |
| Cancellation of treasury shares                      |                      |                 |                   |                 | -                          |
| Net changes in items other than shareholders' equity |                      |                 |                   |                 |                            |
| Total changes during period                          | -                    | 37              | 193,997           | (50,705)        | 143,329                    |
| Balance as of March 31, 2023                         | 10,065               | 15,079          | 2,392,704         | (271,049)       | 2,146,798                  |

|  | Accumulated other comprehensive income                |   |  | Non-controlling interests | Total net assets |
|--|---|---|--|---------------------------|------------------|
|  | Valuation difference on available-for-sale securities | Foreign currency translation adjustment | Total accumulated other comprehensive income |                           |                  |
| Balance as of April 1, 2022                          | 33,199  | 32,373                                  | 65,573                                       | 266                       | 2,069,310        |
| Changes during period                                |   |   |  |                           |                  |
| Dividends of surplus                                 |   |   |  |                           | (238,770)        |
| Profit attributable to owners of parent              |   |   |  |                           | 432,768          |
| Purchase of treasury shares                          |   |   |  |                           | (50,725)         |
| Disposal of treasury shares                          |   |   |  |                           | 56               |
| Cancellation of treasury shares                      |   |   |  |                           | -                |
| Net changes in items other than shareholders' equity | (5,171)   | 59,032                                  | 53,861                                       | (34)                      | 53,827           |
| Total changes during period                          | (5,171)   | 59,032                                  | 53,861                                       | (34)                      | 197,156          |
| Balance as of March 31, 2023                         | 28,028  | 91,406                                  | 119,435                                      | 232                       | 2,266,466        |

Current fiscal year (from April 1, 2022 to March 31, 2023)

(Millions of dollars)

|  | Shareholders' equity |                 |                   |                 |                            |
|--|----------------------|-----------------|-------------------|-----------------|----------------------------|
|  | Share capital        | Capital surplus | Retained earnings | Treasury shares | Total shareholders' equity |
| Balance as of April 1, 2022                          | 75                   | 113             | 16,531            | (1,656)         | 15,063                     |
| Changes during period                                |                      |                 |                   |                 |                            |
| Dividends of surplus                                 |                      |                 | (1,795)           |                 | (1,795)                    |
| Profit attributable to owners of parent              |                      |                 | 3,253             |                 | 3,253                      |
| Purchase of treasury shares                          |                      |                 |                   | (381)           | (381)                      |
| Disposal of treasury shares                          |                      | 0               |                   | 0               | 0                          |
| Cancellation of treasury shares                      |                      |                 |                   |                 |                            |
| Net changes in items other than shareholders' equity |                      |                 |                   |                 |                            |
| Total changes during period                          |                      | 0               | 1,458             | (381)           | 1,077                      |
| Balance as of March 31, 2023                         | 75                   | 113             | 17,990            | (2,037)         | 16,141                     |

|  | Accumulated other comprehensive income                |   |  | Non-controlling interests | Total net assets |
|--|---|---|--|---------------------------|------------------|
|  | Valuation difference on available-for-sale securities | Foreign currency translation adjustment | Total accumulated other comprehensive income |                           |                  |
| Balance as of April 1, 2022                          | 249   | 243                                     | 493  | 2                         | 15,558           |
| Changes during period                                |   |   |  |                           |                  |
| Dividends of surplus                                 |   |   |  |                           | (1,795)          |
| Profit attributable to owners of parent              |   |   |  |                           | 3,253            |
| Purchase of treasury shares                          |   |   |  |                           | (381)            |
| Disposal of treasury shares                          |   |   |  |                           | 0                |
| Cancellation of treasury shares                      |   |   |  |                           |                  |
| Net changes in items other than shareholders' equity | (38)  | 443                                     | 404  | 0                         | 404              |
| Total changes during period                          | (38)  | 443                                     | 404  | 0                         | 1,482            |
| Balance as of March 31, 2023                         | 210   | 687                                     | 898  | 1                         | 17,041           |

## (iv) Consolidated statements of cash flows

|   | Previous fiscal year<br>(From April 1, 2021<br>to March 31, 2022) | Current fiscal year<br>(From April 1, 2022<br>to March 31, 2023) |                       |
|---|---|--|-----------------------|
|   | (Millions of yen)   | (Millions of yen)  | (Millions of dollars) |
| <b>Cash flows from operating activities</b>   |   |  |                       |
| Profit before income taxes  | 674,389   | 600,757  | 4,516                 |
| Depreciation  | 10,527  | 11,040   | 83                    |
| Increase (decrease) in allowance for doubtful accounts                              | (37)  | 74   | 0                     |
| Interest and dividend income  | (4,525)   | (27,369)   | (205)                 |
| Foreign exchange losses (gains)   | (57,324)  | (54,260)   | (407)                 |
| Share of loss (profit) of entities accounted for using equity method                | (26,672)  | (26,599)   | (199)                 |
| Decrease (increase) in trade receivables  | 8,134   | 31,513   | 236                   |
| Decrease (increase) in inventories  | (84,563)  | (45,792)   | (344)                 |
| Increase (decrease) in trade payables   | 25,125  | 9,025  | 67                    |
| Increase (decrease) in retirement benefit liability                                 | 2,575   | (3,826)  | (28)                  |
| Increase (decrease) in accrued consumption taxes                                    | (1,824)   | (358)  | (2)                   |
| Other, net  | 3,307   | (6,070)  | (45)                  |
| Subtotal  | 549,112   | 488,134  | 3,670                 |
| Interest and dividends received   | 4,862   | 24,455   | 183                   |
| Interest paid   | (281)   | (131)  | (0)                   |
| Income taxes paid   | (264,031)   | (189,615)  | (1,425)               |
| Net cash provided by (used in) operating activities                                 | 289,661   | 322,843  | 2,427                 |
| <b>Cash flows from investing activities</b>   |   |  |                       |
| Purchase of short-term and long-term investment securities                          | (943,319)   | (724,691)  | (5,448)               |
| Proceeds from sale and redemption of short-term and long-term investment securities | 1,015,200   | 729,907  | 5,488                 |
| Purchase of property, plant and equipment and intangible assets                     | (7,587)   | (22,190)   | (166)                 |
| Proceeds from sale of property, plant and equipment and intangible assets           | 7   | 94   | 0                     |
| Payments into time deposits   | (354,500)   | (580,310)  | (4,363)               |
| Proceeds from withdrawal of time deposits   | 383,921   | 708,299  | 5,325                 |
| Other, net  | (21)  | 398  | 2                     |
| Net cash provided by (used in) investing activities                                 | 93,699  | 111,507  | 838                   |
| <b>Cash flows from financing activities</b>   |   |  |                       |
| Purchase of treasury shares   | (95,350)  | (50,733)   | (381)                 |
| Dividends paid  | (240,560)   | (238,700)  | (1,794)               |
| Other, net  | (1,099)   | (1,540)  | (11)                  |
| Net cash provided by (used in) financing activities                                 | (337,010)   | (290,973)  | (2,187)               |
| Effect of exchange rate change on cash and cash equivalents                         | 44,288  | 28,474   | 214                   |
| Net increase (decrease) in cash and cash equivalents                                | 90,638  | 171,851  | 1,292                 |
| Cash and cash equivalents at beginning of period                                    | 932,079   | 1,022,718  | 7,689                 |
| Cash and cash equivalents at end of period  | *1 1,022,718  | *1 1,194,569   | 8,981                 |

## Notes to Consolidated Financial Statements

### Significant matters forming the basis of preparing the consolidated financial statements

#### 1. Scope of consolidation

- (1) Number of consolidated subsidiaries: 28 companies  
The names of significant consolidated subsidiaries are omitted because they are provided in “I. Overview of the Company, 4. Subsidiaries and associates.”
- (2) The unconsolidated subsidiary is as follows:  
Fukuei Co., Ltd.  
The above is unconsolidated because it is a small-scale company and does not have a material impact on the consolidated financial statements with respect to total assets, net sales, profit or loss, retained earnings, etc.

#### 2. Application of the equity method

- (1) The four associates accounted for under the equity method are as follows:  
The Pokémon Company, WARPSTAR, Inc., PUX Corporation, and First Avenue Entertainment, LLLP
- (2) The company among the unconsolidated subsidiaries not accounted for under the equity method is Fukuei Co., Ltd., and the company among the associates not accounted for under the equity method is APE inc. This is because the impact each of said companies has on profit or loss, retained earnings, etc., is negligible, and it is immaterial as a whole.
- (3) With respect to associates accounted for under the equity method whose account closing dates differ from the consolidated account closing date, the financial statements of each of the companies, either based on their fiscal year or based on provisional accounts closing, are incorporated.

#### 3. Year-ends of consolidated subsidiaries

Of consolidated subsidiaries, iQue (China) Ltd., Nintendo RU LLC. and one other subsidiary close accounts on December 31 every year.

As the difference between closing dates is within three months, the above subsidiaries were accounted for based on the financial statements as of the account closing date of each subsidiary. Necessary adjustments were made to the consolidated financial statements to reflect any significant transactions that took place between their account closing dates and the consolidated account closing date.

#### 4. Accounting procedures

- (1) Valuation basis and method for important assets
  - (i) Securities  
For held-to-maturity debt securities, the amortized cost method (straight-line method) is used. For other securities excluding stocks, etc. without market prices, the market price method is used (valuation difference is reported as a component of net assets and the cost of sales is calculated using the moving average method), and stocks, etc. without market prices are stated at cost using the moving-average method.
  - (ii) Derivatives  
The fair value method is applied.
  - (iii) Inventories  
They are mainly stated at cost using the moving-average method (the figures shown in the balance sheets have been calculated by writing them down based on decline in profitability).

- (2) Depreciation and amortization methods of significant depreciable and amortizable assets
- (i) Property, plant and equipment (excluding leased assets):  
The Company and its consolidated subsidiaries in Japan apply the declining balance method, but certain tools, furniture and fixtures are subject to depreciation based on their useful lives in line with their commercial obsolescence. However, the straight-line method is applied for buildings (excluding accompanying facilities), acquired on April 1, 1998 or thereafter and for facilities attached to buildings and structures acquired on April 1, 2016, and thereafter. Overseas consolidated subsidiaries apply the straight-line method based on the estimated economic useful lives.
- Useful lives of main assets are as follows:
- |                          |            |
|--------------------------|------------|
| Buildings and structures | 3-60 years |
|--------------------------|------------|
- (ii) Intangible assets (excluding leased assets):  
Intangible assets are amortized using the straight-line method. Software for internal use is amortized over the estimated internal useful life (principally five years).
- (iii) Leased assets  
Leased assets in finance lease transactions that do not transfer ownership  
The straight-line method with no residual value is applied, regarding the lease term as useful life.
- (3) Accounting for significant reserves
- (i) Allowance for doubtful accounts  
The Company and its consolidated subsidiaries in Japan provide the allowance for doubtful accounts based on the historical analysis of loss experienced for general receivables and on individual evaluations of uncollectible amounts for specific receivables including doubtful accounts. Overseas consolidated subsidiaries provide the allowance for doubtful accounts based on the individual evaluation of uncollectible amount for each receivable.
- (ii) Provision for bonuses  
The Company and certain consolidated subsidiaries provide the reserve for the estimated amount of bonuses to be paid to the employees.
- (iii) Provision for Directors' compensation  
The Company provides for Directors' compensation based on the estimated amount of compensation payable to Directors (excluding Directors who are Audit and Supervisory Committee Members and Outside Directors).
- (4) Accounting method for retirement benefit
- (i) Periodic allocation method for estimated benefit obligation  
Upon calculating the retirement benefit obligations, the estimated benefit obligation is attributed to periods up until the end of the fiscal year ended March 31, 2023, on a benefit formula basis.
- (ii) Amortization method for actuarial gains and losses and past service cost  
Actuarial gains and losses and past service cost are processed collectively in the year in which they are incurred.
- (iii) Application of simple method at small enterprises, etc.  
Some consolidated subsidiaries apply a simple method including a method in which an estimated amount required to be paid for voluntary retirement benefits at the end of the fiscal year is deemed as the retirement benefit obligations in the calculations of retirement benefit liability and retirement benefit expenses.
- Assets in the Company's defined benefit corporate pension plan are recorded as "Retirement benefit asset" under investments and other assets as the plan assets exceeded the retirement benefit obligations.
- (5) Standards of translation into yen of significant assets or liabilities denominated in foreign currencies  
All the monetary receivables and payables of the Company and its consolidated subsidiaries in Japan denominated in foreign currencies are translated into Japanese yen based on the spot rate of exchange in the foreign exchange market on the respective account closing dates. The foreign exchange gains and losses from translation are recognized in the accompanying consolidated statements of income. Assets or liabilities of overseas consolidated subsidiaries, etc. are translated into yen based on the spot rate of exchange in the foreign exchange market on the account closing date, while revenue and expenses are translated into yen based on the average rate of exchange for the fiscal year. The differences resulting from such translations are included in

“Foreign currency translation adjustment” under net assets.

(6) Amortization method and amortization period of goodwill

Goodwill is primarily amortized in equal amounts over a period of five years. However, in cases where goodwill is immaterial in amount, such goodwill is written off in full in the accrued fiscal year.

(7) Scope of cash and cash equivalents in the consolidated statements of cash flow

“Cash and cash equivalents” include cash on hand, time deposit which can be withdrawn on demand and short-term investments, with little risk of fluctuation in value and maturity within three months or less of the acquisition date, which are promptly convertible to cash.

(8) Important standards of accounting for revenue and expenses

The Company group is engaged in the development, manufacture, and sale, etc. of entertainment products in the home entertainment field. Specifically, the Company group sells products such as video game hardware, software, and accessories, and also provides various services such as Nintendo Switch Online. In addition, it sells services and content for mobile applications.

The details of the main performance obligations concerning revenue arising from contracts with customers in the Company group’s major businesses, and the usual timing of the fulfillment of these performance obligations (the usual timing of revenue recognition) are as follows.

(i) Dedicated video game platforms

The transaction price is deemed to be the consideration expected to be received in return for the product or service. Because this consideration is generally expected to be received within one year after performance obligations have been fulfilled, it does not contain a significant element of financing. The Company generally recognizes revenue in the full amount of this consideration. However, in cases such as downloadable software from software publishers, the Company recognizes revenue equal to the amount of sales commission that the Company group will receive.

Regarding revenue from sales of products such as hardware, software, and accessories, control is usually deemed to be transferred to the customer, and performance obligations fulfilled, on the day when these products are scheduled to arrive at the place designated by the customer. However, in the case of downloadable software and add-on content, performance obligations are deemed to be fulfilled when the product or content becomes available for the customer to use. Therefore, in the case of advance sales, or when add-on content is yet to be distributed, revenue recognition is deferred until the date when the software or content becomes available for the customer to use. When add-on content is distributed in multiple stages, the standalone selling price at each stage is estimated from observable information, and the transaction price is allocated between each stage. The unused portion of the pre-charged balances used to purchase products and services on e-commerce websites operated by the Company group is recognized as revenue in proportion to customer usage patterns.

Some of the Company group’s products include a performance obligation to enable customers to update the product free of charge. In cases such as these, the Company estimates the standalone selling price of the update and the date when the update will become available for use. The performance obligation associated with the portion of the transaction price allocated to the update is deemed fulfilled on this date.

Among the services provided by the Company group, performance obligations for paid membership services such as Nintendo Switch Online are deemed to be progressively fulfilled throughout the subscription period, as services are provided throughout this period.

The Company group also provides a rewards program that allows customers to exchange points for the Company’s products and services in the future. For points that arise in association with the sale of products or services, the Company estimates the standalone selling price to be allocated to the portion of the points expected to be used. The transaction price is allocated between the product or service and the points expected to be used. For the rewards program, performance obligations are deemed to be fulfilled when the customer uses the points.

(ii) Mobile and IP related income, etc.

For mobile and IP related income, etc. from the sale of mobile applications, performance obligations are deemed to be fulfilled when the application becomes available for the customer to use. For in-game currency sold on mobile applications, performance obligations are deemed to be fulfilled when the customer uses the currency. Performance obligations for paid membership services are deemed to be progressively fulfilled throughout the subscription period.

For IP related income, revenue is generally recognized as customers use the Company’s IP.

(Significant accounting estimates)

Valuation of inventories

(1) Amount recorded in the consolidated financial statements for the fiscal year ended March 31, 2023

|             | Previous fiscal year<br>(As of March 31, 2022) | Current fiscal year<br>(As of March 31, 2023) |                   |
|-------------|--|---|-------------------|
| Inventories | ¥204,183 million                               | ¥258,628 million                              | USD 1,944 million |

(2) Information on the details of significant accounting estimates related to the identified items

The Company group recorded inventories of ¥258,628 million (USD 1,944 million) on the consolidated balance sheets for the fiscal year ended March 31, 2023. Of this amount, finished goods accounted for ¥182,837 million (USD 1,374 million), including a write-down on finished goods of ¥16,909 million (USD 127 million).

The moving average cost method is the main method used for the valuation of inventory (the value shown on the balance sheets represents book value reduced in accordance with declines in profitability). This method of inventory valuation focuses on factors such as inventory turnover rates based on past sales results, and market conditions, to estimate the possibility of achieving future sales plans. Product lifecycle in the Company group's businesses is relatively short, and there is therefore a degree of uncertainty regarding the probability that finished goods will be sold. The closing balance of inventories and cost of sales for the fiscal period will be affected if net selling price and recoverable amount fall below expectations, or, if sales of products for which a valuation write-down was previously recorded exceed sales plans.

Valuation of deferred tax assets

(1) Amount recorded in the consolidated financial statements for the fiscal year ended March 31, 2023

|                     | Previous fiscal year<br>(As of March 31, 2022) | Current fiscal year<br>(As of March 31, 2023) |                 |
|---------------------|--|---|-----------------|
| Deferred tax assets | ¥87,996 million                                | ¥103,670 million                              | USD 779 million |

(2) Information on the details of significant accounting estimates related to the identified items

The Company group recorded deferred tax assets of ¥103,670 million (USD 779 million) for the fiscal year ended March 31, 2023.

Deferred tax assets are recorded for deductible differences that the Company considers are likely to reduce taxable income in the future, based on a rational estimation of future taxable income. The valuation of deferred tax assets is considered in view of estimates of future taxable income based on business plans, after the application of Japanese corporate accounting standards (JGAAP) for the Company and its subsidiaries in Japan, and International Financial Reporting Standards (IFRS) or United States accounting standards (USGAAP) for subsidiaries overseas. The Company generates a stable taxable income, and it is assumed that no substantial change in future business results is anticipated. However, the Company group's businesses represent one part of the broad entertainment sector, and they are affected by the market environment brought about by various entertainment trends. Estimates of future taxable income are therefore subject to the impact of business plans, etc., which are inherently uncertain. If future taxable income results should differ from expectations, then the valuation of deferred tax assets will change, and this will have an impact on income taxes - deferred.

(Change in presentation method)

(Notes to consolidated balance sheets)

"Advances received," which had been included in "Other" under "Current liabilities" in the fiscal year ended March 31, 2022, became material in amount and is thus presented independently beginning with the fiscal year ended March 31, 2023. In order to reflect this change in the presentation method, reclassification was performed with respect to the consolidated financial statements for the fiscal year ended March 31, 2022.

As a result, "Other" in the amount of ¥284,836 million (USD 2,141 million) that had been presented under "Current liabilities" in the consolidated balance sheets for the fiscal year ended March 31, 2022 was reclassified into "Advances received" and "Other" in the amounts of ¥131,139 million (USD 986 million) and ¥153,696 million (USD 1,155 million), respectively.

(Notes to consolidated statements of income)

"Commission for purchase of treasury shares," which had been presented independently under "Non-operating expenses" in the fiscal year ended March 31, 2022, became immaterial in amount and is thus presented as a component of "Other" from the fiscal year ended March 31, 2023. Additionally, "Loss on sale of securities," which had been included in "Other" under "Non-operating expenses" in the fiscal year ended March 31, 2022, became material in amount and is thus presented independently beginning with the fiscal year ended March 31, 2023. In order to reflect this change in the presentation method, reclassification was performed with respect to the consolidated financial statements for the fiscal year ended March 31, 2022.



As a result, “Commission for purchase of treasury shares” in the amount of ¥250 million (USD 1 million) and “Other” in the amount of ¥201 million (USD 1 million) that had been presented under “Non-operating expenses” in the consolidated statements of income for the fiscal year ended March 31, 2022 were reclassified into “Loss on sale of securities” and “Other” in the amounts of ¥42 million (USD 0 million) and ¥409 million (USD 3 million), respectively.

## Notes to consolidated balance sheets

### \*1. The amounts of receivables arising from contracts with customers among notes and accounts receivable - trade are as follows:

|                             | Previous fiscal year<br>(As of March 31, 2022) | Current fiscal year<br>(As of March 31, 2023) |                 |
|-----------------------------|--|---|-----------------|
| Notes receivable - trade    | ¥610 million                                   | ¥539 million                                  | USD 4 million   |
| Accounts receivable - trade | ¥140,476 million                               | ¥119,393 million                              | USD 897 million |

### \*2. Inventories as of March 31, 2022 and 2023 were as follows:

|                            | Previous fiscal year<br>(As of March 31, 2022) | Current fiscal year<br>(As of March 31, 2023) |                   |
|----------------------------|--|---|-------------------|
| Finished goods             | ¥96,301 million                                | ¥182,837 million                              | USD 1,374 million |
| Work in process            | 69   | 153   | 1                 |
| Raw materials and supplies | ¥107,812 million                               | ¥75,637 million                               | USD 568 million   |

### \*3. Accumulated depreciation of property, plant and equipment as of March 31, 2022 and 2023 were as follows:

|                          | Previous fiscal year<br>(As of March 31, 2022) | Current fiscal year<br>(As of March 31, 2023) |                 |
|--------------------------|--|---|-----------------|
| Accumulated depreciation | ¥78,988 million                                | ¥82,563 million                               | USD 620 million |

### \*4. Investments in unconsolidated subsidiaries and associates as of March 31, 2022 and 2023 were as follows:

|                       | Previous fiscal year<br>(As of March 31, 2022) | Current fiscal year<br>(As of March 31, 2023) |                 |
|-----------------------|--|---|-----------------|
| Investment securities | ¥83,734 million                                | ¥117,558 million                              | USD 883 million |

### \*5. Among advances received, the amounts of contract liabilities as of March 31, 2022 and 2023 were as follows:

|                      | Previous fiscal year<br>(As of March 31, 2022) | Current fiscal year<br>(As of March 31, 2023) |                   |
|----------------------|--|---|-------------------|
| Contract liabilities | ¥131,139 million                               | ¥160,758 million                              | USD 1,208 million |

## Notes to consolidated statements of income

**\*1. The ending inventory balance is the amount after write-down of book value due to decline in profitability, and the loss on valuation of inventories included in cost of sales for the years ended March 31, 2022 and 2023 were as follows:**

|                                  | Previous fiscal year<br>(From April 1, 2021<br>to March 31, 2022) | Current fiscal year<br>(From April 1, 2022<br>to March 31, 2023) |                |
|----------------------------------|---|--|----------------|
| Loss on valuation of inventories | ¥5,343 million  | ¥4,092 million   | USD 30 million |

**\*2. The major items of selling, general and administrative expenses for the years ended March 31, 2022 and 2023 were as follows:**

|  | Previous fiscal year<br>(From April 1, 2021<br>to March 31, 2022) | Current fiscal year<br>(From April 1, 2022<br>to March 31, 2023) |                 |
|--|---|--|-----------------|
| Research and development expenses            | ¥102,182 million  | ¥110,014 million   | USD 827 million |
| Advertising expenses                         | 93,838  | 94,984   | 714             |
| Salaries, allowances and bonuses             | 36,802  | 40,342   | 303             |
| Depreciation                                 | 7,820   | 8,245  | 61              |
| Provision for bonuses                        | 1,439   | 1,071  | 2               |
| Retirement benefit expenses                  | 3,865   | 344  | 8               |
| Provision of allowance for doubtful accounts | ¥86 million   | ¥122 million   | USD 0 million   |

**\*3. Research and development expenses included in general and administrative expenses and manufacturing costs for the years ended March 31, 2022 and 2023 were as follows:**

|                                   | Previous fiscal year<br>(From April 1, 2021<br>to March 31, 2022) | Current fiscal year<br>(From April 1, 2022<br>to March 31, 2023) |                 |
|-----------------------------------|---|--|-----------------|
| Research and development expenses | ¥102,199 million  | ¥110,015 million   | USD 827 million |

**\*4. Gain on sale of non-current assets for the years ended March 31, 2022 and 2023 were as follows:**

|                                   | Previous fiscal year<br>(From April 1, 2021<br>to March 31, 2022) |                                   | Current fiscal year<br>(From April 1, 2022<br>to March 31, 2023) |               |
|-----------------------------------|---|-----------------------------------|--|---------------|
| Machinery, equipment and vehicles | ¥1 million  | Land                              | ¥23 million  | USD 0 million |
|                                   |   | Buildings and structures          | 0  | 0             |
|                                   |   | Machinery, equipment and vehicles | 21   | 0             |
|                                   |   | Tools, furniture and fixtures     | 2  | 0             |
| Total                             | ¥1 million  | Total                             | ¥48 million  | USD 0 million |

**\*5. Loss on disposal of non-current assets for the years ended March 31, 2022 and 2023 were as follows:**

|                               | Previous fiscal year<br>(From April 1, 2021<br>to March 31, 2022) |                                   | Current fiscal year<br>(From April 1, 2022<br>to March 31, 2023) |               |
|-------------------------------|---|-----------------------------------|--|---------------|
| Buildings and structures      | ¥46 million   | Buildings and structures          | ¥361 million   | USD 2 million |
| Tools, furniture and fixtures | 15  | Machinery, equipment and vehicles | 11   | 0             |
| Software                      | 11  | Tools, furniture and fixtures     | 0  | 0             |
|                               |   | Software                          | 8  | 0             |
| Total                         | ¥73 million   | Total                             | ¥382 million   | USD 2 million |

## Notes to consolidated statements of comprehensive income

### \*1. Reclassification adjustments and tax effects related to other comprehensive income

|  | Previous fiscal year<br>(From April 1, 2021<br>to March 31, 2022) | Current fiscal year<br>(From April 1, 2022<br>to March 31, 2023) |                  |
|--|---|--|------------------|
| Valuation difference on available-for-sale securities:                             |   |  |                  |
| Amount arising during the fiscal year  | ¥(145) million  | ¥(5,761) million   | USD (43) million |
| Reclassification adjustments   | (342)   | (1,158)  | (8)              |
| Amount before tax effects  | (487)   | (6,920)  | (52)             |
| Tax effects  | 69  | 1,851  | 13               |
| Valuation difference on available-for-sale securities                              | (417)   | (5,068)  | (38)             |
| Foreign currency translation adjustment:   |   |  |                  |
| Amount arising during the fiscal year  | 49,777  | 51,814   | 389              |
| Reclassification adjustments   | -   | -  | -                |
| Amount before tax effects  | 49,777  | 51,814   | 389              |
| Tax effects  | -   | -  | -                |
| Foreign currency translation adjustment  | 49,777  | 51,814   | 389              |
| Share of other comprehensive income of entities accounted for using equity method: |   |  |                  |
| Amount arising during the fiscal year  | 3,424   | 7,115  | 53               |
| Reclassification adjustments   | -   | -  | -                |
| Share of other comprehensive income of entities accounted for using equity method  | 3,424   | 7,115  | 53               |
| Total other comprehensive income   | ¥52,784 million   | ¥53,861 million  | USD 404 million  |

## Notes to consolidated statements of changes in equity

### Previous fiscal year (From April 1, 2021 to March 31, 2022)

#### 1. Matters concerning outstanding shares

(Shares)

| Type of share | As of April 1, 2021 | Increase | Decrease  | As of March 31, 2022 |
|---------------|---------------------|----------|-----------|----------------------|
| Common shares | 131,669,000         | -        | 1,800,000 | 129,869,000          |

(Summary of causes of changes)

Decrease in outstanding shares was due to the cancellation of treasury shares based on the resolution of the meeting of the Board of Directors held on August 5, 2021.

#### 2. Matters concerning treasury shares

(Shares)

| Type of share | As of April 1, 2021 | Increase  | Decrease  | As of March 31, 2022 |
|---------------|---------------------|-----------|-----------|----------------------|
| Common shares | 12,546,233          | 1,800,789 | 1,800,000 | 12,547,022           |

(Summary of causes of changes)

Among the increase in treasury shares, the increase of 789 shares was due to acquisitions in line with buyback requests for shares less than one unit, and the increase of 1,800,000 shares was due to the acquisition through market purchase on the Tokyo Stock Exchange based on the resolution of the meeting of the Board of Directors held on August 5, 2021.

Decrease in treasury shares was due to the cancellation of treasury shares based on the resolution of the meeting of the Board of Directors held on August 5, 2021.

#### 3. Matters concerning dividends

##### (1) Amount of dividends paid

| Resolution   | Type of share | Amount of dividends | Dividends per share | Record date        | Effective date   |
|--|---------------|---------------------|---------------------|--------------------|------------------|
| Annual General Meeting of Shareholders held on June 29, 2021 | Common shares | ¥167,963 million    | ¥1,410              | March 31, 2021     | June 30, 2021    |
| Meeting of Board of Directors held on November 4, 2021       | Common shares | ¥72,739 million     | ¥620                | September 30, 2021 | December 1, 2021 |

##### (2) Dividend payments for which the record date is in the fiscal year ended March 31, 2022, and the effective date is in the following fiscal year

| Resolution   | Type of share | Amount of dividends | Source of dividends | Dividends per share | Record date    | Effective date |
|--|---------------|---------------------|---------------------|---------------------|----------------|----------------|
| Annual General Meeting of Shareholders held on June 29, 2022 | Common shares | ¥165,423 million    | Retained earnings   | ¥1,410              | March 31, 2022 | June 30, 2022  |

## Current fiscal year (From April 1, 2022 to March 31, 2023)

### 1. Matters concerning outstanding shares

(Shares)

| Type of share | As of April 1, 2022 | Increase      | Decrease | As of March 31, 2023 |
|---------------|---------------------|---------------|----------|----------------------|
| Common shares | 129,869,000         | 1,168,821,000 | -        | 1,298,690,000        |

(Summary of causes of changes)

Increase in outstanding shares was due to the stock split based on the resolution of the meeting of the Board of Directors held on May 10, 2022.

### 2. Matters concerning treasury shares

(Shares)

| Type of share | As of April 1, 2022 | Increase    | Decrease | As of March 31, 2023 |
|---------------|---------------------|-------------|----------|----------------------|
| Common shares | 12,547,022          | 121,914,568 | 950      | 134,460,640          |

(Summary of causes of changes)

Among the increase in treasury shares, the increase of 1,608 shares was due to acquisitions in line with buyback requests for shares less than one unit, the increase of 899,500 shares was due to the acquisition through market purchase on the Tokyo Stock Exchange based on the resolution of the meeting of the Board of Directors held on May 10, 2022, and the increase of 121,013,460 shares was due to the stock split based on the resolution of the meeting of the Board of Directors held on May 10, 2022.

Decrease in treasury shares was due to the disposal of treasury shares as restricted stock compensation.

### 3. Matters concerning dividends

#### (1) Amount of dividends paid

| Resolution   | Type of share | Amount of dividends | Dividends per share | Record date        | Effective date   |
|--|---------------|---------------------|---------------------|--------------------|------------------|
| Annual General Meeting of Shareholders held on June 29, 2022 | Common shares | ¥165,423 million    | ¥1,410              | March 31, 2022     | June 30, 2022    |
| Meeting of Board of Directors held on November 8, 2022       | Common shares | ¥73,346 million     | ¥630                | September 30, 2022 | December 1, 2022 |

(Note) The Company enacted a 10-for-1 stock split of its common stock with an effective date of October 1, 2022. Dividends per share shown above are the amounts prior to the stock split.

#### (2) Dividend payments for which the record date is in the fiscal year ended March 31, 2023, and the effective date is in the following fiscal year

| Resolution   | Type of share | Amount of dividends                     | Source of dividends | Dividends per share | Record date    | Effective date |
|--|---------------|---|---------------------|---------------------|----------------|----------------|
| Annual General Meeting of Shareholders held on June 23, 2023 | Common shares | ¥143,200 million<br>[USD 1,076 million] | Retained earnings   | ¥123<br>[USD 0.92]  | March 31, 2023 | June 26, 2023  |

## Notes to consolidated statements of cash flow

### \*1. “Cash and cash equivalents at end of period” were reconciled to “Cash and deposits” in the accompanying consolidated balance sheets as of March 31, 2022 and 2023 as follows:

|  | Previous fiscal year<br>(From April 1, 2021<br>to March 31, 2022) | Current fiscal year<br>(From April 1, 2022<br>to March 31, 2023) |                   |
|--|---|--|-------------------|
| Cash and deposits  | ¥1,206,506 million  | ¥1,263,666 million   | USD 9,501 million |
| Time deposits with maturity of more than three months        | (304,527)   | (210,061)  | (1,579)           |
| Short-term investments with maturity of three months or less | 120,739   | 140,964  | 1,059             |
| Cash and cash equivalents                                    | ¥1,022,718 million  | ¥1,194,569 million   | USD 8,981 million |

## Lease transactions

### 1. Finance lease transactions

Information of finance leases as of March 31, 2022 and 2023 were omitted as they are immaterial.

### 2. Operating lease transactions

Future lease payments under non-cancelable operating leases

|                     | Previous fiscal year<br>(As of March 31, 2022) | Current fiscal year<br>(As of March 31, 2023) |                |
|---------------------|--|---|----------------|
| Due within one year | ¥896 million                                   | ¥366 million                                  | USD 2 million  |
| Due after one year  | 2,579  | 3,608   | 27             |
| Total               | ¥3,475 million                                 | ¥3,975 million                                | USD 29 million |

## **Financial instruments**

### **1. Condition of financial instruments**

(1) Policy for measures relating to financial instruments

Nintendo (the Company and its consolidated subsidiaries) invests its funds in highly safe financial assets such as deposits. Nintendo utilizes derivatives to reduce risk as described below and for the purpose of improving the investment yield on short-term financial assets, and does not enter into transactions for speculative purposes.

(2) Details of financial instruments, related risks, and risk management system

Notes and accounts receivable - trade are exposed to credit risk from customers. In order to reduce this risk, Nintendo monitors the financial position and transaction history, assesses creditworthiness and sets a transaction limit for each customer. The risk regarding bonds included in short-term investment securities and investment securities is negligible, since they are mainly the bonds of correspondent financial institutions, the U.S. Treasury and other entities with strong credit that are held to maturity. Such bonds are also subject to foreign currency exchange risk and market risk. Nintendo closely monitors the market price of such bonds and the financial position of the issuer and reviews their status on a regular basis. Stocks included in investment securities are mainly those of companies with which the Company has business relationships. These stocks are exposed to market risk, but the balance held is immaterial.

Notes and accounts payable - trade and income taxes payable are all due within one year.

Derivative transactions include foreign exchange forward contracts, non-deliverable forward contracts and currency option contracts etc. to reduce risk of exchange rate fluctuations arising from deposits and receivables, etc. denominated in foreign currencies. These transactions are conducted by the Finance Department of the Company and the departments in charge of financial matters of its consolidated subsidiaries after securing approval from the president or the executive officer in charge within limits such as balance of foreign currency deposits during the period. The status of derivative transactions is reported to the executive officer in charge and the Board of Directors on a regular basis. Since counterparties of such transactions are limited to financial institutions that have high creditworthiness, Nintendo judges that risk due to default is minimal.

(3) Supplementary explanation regarding fair values of financial instruments

As variable factors are incorporated into the measurement of the fair values of financial instruments, the values may vary depending on the assumptions used. In addition, the contract amounts of the derivative transactions described in "Derivative transactions" do not represent the market risk of derivative transactions.



## 2. Fair value of financial instruments

The book value on the consolidated balance sheets, fair value, and differences between them are as follows. The presentation of cash and deposits, notes and accounts receivable - trade, notes and accounts payable - trade, and income taxes payable has been omitted due to being cash, or as the settlement periods are short and the market values thereof are essentially equal to the book values.

Previous fiscal year (As of March 31, 2022)

| (Millions of yen)                              |            |            |            |
|--|------------|------------|------------|
|  | Book value | Fair value | Difference |
| Short-term and long-term investment securities |            |            |            |
| Held-to-maturity debt securities               | 351,912    | 351,905    | (6)        |
| Other securities                               | 375,275    | 375,275    | -          |
| Total assets                                   | 727,188    | 727,181    | (6)        |
| Derivatives                                    | (69)       | (69)       | -          |

Current fiscal year (As of March 31, 2023)

| (Millions of yen)                              |            |            |            |
|--|------------|------------|------------|
|  | Book value | Fair value | Difference |
| Short-term and long-term investment securities |            |            |            |
| Held-to-maturity debt securities               | 445,956    | 445,887    | (68)       |
| Other securities                               | 321,734    | 321,734    | -          |
| Total assets                                   | 767,690    | 767,621    | (68)       |
| Derivatives                                    | (53)       | (53)       | -          |

| (Millions of dollars)                          |            |            |            |
|--|------------|------------|------------|
|  | Book value | Fair value | Difference |
| Short-term and long-term investment securities |            |            |            |
| Held-to-maturity debt securities               | 3,353      | 3,352      | (0)        |
| Other securities                               | 2,419      | 2,419      | -          |
| Total assets                                   | 5,772      | 5,771      | (0)        |
| Derivatives                                    | (0)        | (0)        | -          |

(Notes) 1. Consolidated balance sheets amount of shares, etc. that do not have fair value

|                 | Previous fiscal year<br>(As of March 31, 2022) | Current fiscal year<br>(As of March 31, 2023) |                 |
|-----------------|--|---|-----------------|
| Unlisted stocks | ¥89,861 million                                | ¥124,262 million                              | USD 934 million |

These are not included in "Short-term and long-term investment securities."

2. The receivables and payables resulting from derivative transactions are indicated in net amounts. In the case that the net total is a payable, the amount is shown in parentheses.

3. Redemption schedule for monetary receivables and securities with maturity subsequent to the consolidated account closing date

Previous fiscal year (As of March 31, 2022)

(Millions of yen)

|  | Due within one year | Due after one year and within five years | Due after five years and within ten years |
|--|---------------------|--|---|
| Cash and deposits                              | 1,206,506           | -  | -   |
| Notes and accounts receivable - trade          | 141,087             | -  | -   |
| Short-term and long-term investment securities |                     |  |   |
| Held-to-maturity debt securities               |                     |  |   |
| Certificate of deposits                        | 323,024             | -  | -   |
| Money held in trust                            | 13,000              | -  | -   |
| Corporate and government bonds                 | 15,873              | -  | -   |
| Other securities with maturity                 |                     |  |   |
| Certificate of deposits                        | 4,215               | -  | -   |
| Corporate and government bonds                 | 148,631             | 94,212                                   | -   |
| Other  | 128                 | 34,790                                   | 17,740                                    |
| <b>Total</b>                                   | <b>1,852,467</b>    | <b>129,002</b>                           | <b>17,740</b>                             |

Current fiscal year (As of March 31, 2023)

(Millions of yen)

|  | Due within one year | Due after one year and within five years | Due after five years and within ten years |
|--|---------------------|--|---|
| Cash and deposits                              | 1,263,666           | -  | -   |
| Notes and accounts receivable - trade          | 119,932             | -  | -   |
| Short-term and long-term investment securities |                     |  |   |
| Held-to-maturity debt securities               |                     |  |   |
| Certificate of deposits                        | 408,894             | -  | -   |
| Money held in trust                            | 13,000              | -  | -   |
| Corporate and government bonds                 | 23,969              | 100                                      | -   |
| Other securities with maturity                 |                     |  |   |
| Certificate of deposits                        | 13,300              | -  | -   |
| Corporate and government bonds                 | 165,552             | 25,540                                   | -   |
| Other  | 9,352               | 8,563                                    | 29,216                                    |
| <b>Total</b>                                   | <b>2,017,667</b>    | <b>34,204</b>                            | <b>29,216</b>                             |

(Millions of dollars)

|  | Due within one year | Due after one year and<br>within five years | Due after five years<br>and within ten years |
|--|---------------------|---|--|
| Cash and deposits                              | 9,501               | –   | –  |
| Notes and accounts receivable - trade          | 901                 | –   | –  |
| Short-term and long-term investment securities |                     |   |  |
| Held-to-maturity debt securities               |                     |   |  |
| Certificate of deposits                        | 3,074               | –   | –  |
| Money held in trust                            | 97                  | –   | –  |
| Corporate and government bonds                 | 180                 | 0   | –  |
| Other securities with maturity                 |                     |   |  |
| Certificate of deposits                        | 100                 | –   | –  |
| Corporate and government bonds                 | 1,244               | 192   | –  |
| Other  | 70                  | 64  | 219  |
| Total  | 15,170              | 257   | 219  |

### 3. Breakdown of Financial Instruments by Level of Fair Value

The fair value of financial instruments is classified into the following three levels based on the observability and significance of the inputs used to calculate fair value.

Level 1 fair values: Fair values calculated using (unadjusted) market prices in active markets for identical assets or liabilities

Level 2 fair values: Fair values calculated using directly or indirectly observable inputs other than those in Level 1

Level 3 fair values: Fair values calculated using significant unobservable inputs

When multiple inputs that may have a material impact on the calculation of fair value are used, the calculated fair value is classified at the lowest level of the inputs used.

- (1) Financial assets and financial liabilities recorded on the consolidated balance sheets at fair value  
Previous fiscal year (As of March 31, 2022)

(Millions of yen)

|  | Fair value |         |         |         |
|--|------------|---------|---------|---------|
|  | Level 1    | Level 2 | Level 3 | Total   |
| Short-term and long-term investment securities |            |         |         |         |
| Other securities                               |            |         |         |         |
| Equity securities                              | 77,299     | -       | -       | 77,299  |
| Debt securities                                | -          | 292,608 | -       | 292,608 |
| Other  | 1,156      | 4,211   | -       | 5,367   |
| Total assets                                   | 78,456     | 296,819 | -       | 375,275 |
| Derivatives                                    |            |         |         |         |
| Currency-related                               | (69)       | -       | -       | (69)    |
| Total liabilities                              | (69)       | -       | -       | (69)    |

Current fiscal year (As of March 31, 2023)

(Millions of yen)

|  | Fair value |         |         |         |
|--|------------|---------|---------|---------|
|  | Level 1    | Level 2 | Level 3 | Total   |
| Short-term and long-term investment securities |            |         |         |         |
| Other securities                               |            |         |         |         |
| Equity securities                              | 74,133     | -       | -       | 74,133  |
| Debt securities                                | 10,284     | 222,609 | -       | 232,894 |
| Other  | 1,413      | 13,293  | -       | 14,706  |
| Total assets                                   | 85,831     | 235,902 | -       | 321,734 |
| Derivatives                                    |            |         |         |         |
| Currency-related                               | (53)       | -       | -       | (53)    |
| Total liabilities                              | (53)       | -       | -       | (53)    |

(Millions of dollars)

|  | Fair value |         |         |       |
|--|------------|---------|---------|-------|
|  | Level 1    | Level 2 | Level 3 | Total |
| Short-term and long-term investment securities |            |         |         |       |
| Other securities                               |            |         |         |       |
| Equity securities                              | 557        | –       | –       | 557   |
| Debt securities                                | 77         | 1,673   | –       | 1,751 |
| Other  | 10         | 99      | –       | 110   |
| Total assets                                   | 645        | 1,773   | –       | 2,419 |
| Derivatives                                    |            |         |         |       |
| Currency-related                               | (0)        | –       | –       | (0)   |
| Total liabilities                              | (0)        | –       | –       | (0)   |

- (2) Financial assets and financial liabilities not recorded on the consolidated balance sheets at fair value  
Previous fiscal year (As of March 31, 2022)

(Millions of yen)

|  | Fair value |         |         |         |
|--|------------|---------|---------|---------|
|  | Level 1    | Level 2 | Level 3 | Total   |
| Short-term and long-term investment securities |            |         |         |         |
| Held-to-maturity debt securities               |            |         |         |         |
| Debt securities                                | –          | 15,880  | –       | 15,880  |
| Other  | 336,024    | –       | –       | 336,024 |
| Total assets                                   | 336,024    | 15,880  | –       | 351,905 |

Current fiscal year (As of March 31, 2023)

(Millions of yen)

|  | Fair value |         |         |         |
|--|------------|---------|---------|---------|
|  | Level 1    | Level 2 | Level 3 | Total   |
| Short-term and long-term investment securities |            |         |         |         |
| Held-to-maturity debt securities               |            |         |         |         |
| Debt securities                                | –          | 23,993  | –       | 23,993  |
| Other  | 421,894    | –       | –       | 421,894 |
| Total assets                                   | 421,894    | 23,993  | –       | 445,887 |

(Millions of dollars)

|  | Fair value |         |         |       |
|--|------------|---------|---------|-------|
|  | Level 1    | Level 2 | Level 3 | Total |
| Short-term and long-term investment securities |            |         |         |       |
| Held-to-maturity debt securities               |            |         |         |       |
| Debt securities                                | –          | 180     | –       | 180   |
| Other  | 3,172      | –       | –       | 3,172 |
| Total assets                                   | 3,172      | 180     | –       | 3,352 |

(Note) Explanation of the valuation techniques and inputs used to calculate fair value

Short-term and long-term investment securities

Listed shares, Japanese government bonds, bonds, etc. are mainly valued using market prices. Because listed shares and some Japanese government bonds are traded in active markets, their fair value is classified as Level 1. The fair value of other securities and investment securities is classified as Level 2, because they are not considered to have market prices in active markets. If market prices cannot be obtained, fair value is calculated using valuation techniques such as the discounted present value of future cash flows, with inputs including swap rates, credit spreads, and liquidity premiums.

Derivative transactions

The fair value of derivative transactions for which market prices are available for reference is classified as Level 1.

## Securities

### 1. Held-to-maturity debt securities

Previous fiscal year (As of March 31, 2022)

(Millions of yen)

|   | Book value | Fair value | Difference |
|---|------------|------------|------------|
| Securities whose fair value exceeds their book value on the consolidated balance sheets         | -          | -          | -          |
| Securities whose fair value does not exceed their book value on the consolidated balance sheets | 351,912    | 351,905    | (6)        |
| Total   | 351,912    | 351,905    | (6)        |

Current fiscal year (As of March 31, 2023)

(Millions of yen)

|   | Book value | Fair value | Difference |
|---|------------|------------|------------|
| Securities whose fair value exceeds their book value on the consolidated balance sheets         | 1,329      | 1,330      | 0          |
| Securities whose fair value does not exceed their book value on the consolidated balance sheets | 444,626    | 444,557    | (68)       |
| Total   | 445,956    | 445,887    | (68)       |

(Millions of dollars)

|   | Book value | Fair value | Difference |
|---|------------|------------|------------|
| Securities whose fair value exceeds their book value on the consolidated balance sheets         | 9          | 10         | 0          |
| Securities whose fair value does not exceed their book value on the consolidated balance sheets | 3,343      | 3,342      | (0)        |
| Total   | 3,353      | 3,352      | (0)        |

## 2. Other securities

Previous fiscal year (As of March 31, 2022)

|   | Book value | Acquisition cost | Difference |
|---|------------|------------------|------------|
| (Millions of yen)   |            |                  |            |
| Securities whose book value on the consolidated balance sheets exceeds their acquisition cost         |            |                  |            |
| Equity securities   | 76,920     | 28,654           | 48,265     |
| Debt securities   | 67,368     | 65,879           | 1,488      |
| Other   | -          | -                | -          |
| Sub-total   | 144,288    | 94,534           | 49,754     |
| Securities whose book value on the consolidated balance sheets does not exceed their acquisition cost |            |                  |            |
| Equity securities   | 379        | 450              | (70)       |
| Debt securities   | 225,239    | 227,593          | (2,353)    |
| Other   | 5,367      | 5,372            | (4)        |
| Sub-total   | 230,987    | 233,415          | (2,427)    |
| Total   | 375,275    | 327,949          | 47,326     |

Current fiscal year (As of March 31, 2023)

|   | Book value | Acquisition cost | Difference |
|---|------------|------------------|------------|
| (Millions of yen)   |            |                  |            |
| Securities whose book value on the consolidated balance sheets exceeds their acquisition cost         |            |                  |            |
| Equity securities   | 73,747     | 28,652           | 45,095     |
| Debt securities   | 111,266    | 108,955          | 2,310      |
| Other   | 3,999      | 3,990            | 9          |
| Sub-total   | 189,013    | 141,598          | 47,414     |
| Securities whose book value on the consolidated balance sheets does not exceed their acquisition cost |            |                  |            |
| Equity securities   | 386        | 450              | (63)       |
| Debt securities   | 121,627    | 128,634          | (7,006)    |
| Other   | 10,706     | 10,723           | (16)       |
| Sub-total   | 132,721    | 139,807          | (7,085)    |
| Total   | 321,734    | 281,405          | 40,328     |

|   | Book value | Acquisition cost | Difference |
|---|------------|------------------|------------|
| (Millions of dollars)   |            |                  |            |
| Securities whose book value on the consolidated balance sheets exceeds their acquisition cost         |            |                  |            |
| Equity securities   | 554        | 215              | 339        |
| Debt securities   | 836        | 819              | 17         |
| Other   | 30         | 30               | 0          |
| Sub-total   | 1,421      | 1,064            | 356        |
| Securities whose book value on the consolidated balance sheets does not exceed their acquisition cost |            |                  |            |
| Equity securities   | 2          | 3                | (0)        |
| Debt securities   | 914        | 967              | (52)       |
| Other   | 80         | 80               | (0)        |
| Sub-total   | 997        | 1,051            | (53)       |
| Total   | 2,419      | 2,115            | 303        |



### 3. Other securities sold during the fiscal years ended March 31, 2022 and 2023

Previous fiscal year (From April 1, 2021 to March 31, 2022)

(Millions of yen)

|                 | Amount sold | Total gain | Total loss |
|-----------------|-------------|------------|------------|
| Debt securities | 216,266     | 40         | (85)       |
| Other           | 121,788     | 356        | -          |
| Total           | 338,055     | 397        | (85)       |

Current fiscal year (From April 1, 2022 to March 31, 2023)

(Millions of yen)

|                 | Amount sold | Total gain | Total loss |
|-----------------|-------------|------------|------------|
| Debt securities | 32,651      | 4          | (121)      |
| Other           | 279,082     | 22         | -          |
| Total           | 311,733     | 26         | (121)      |

(Millions of dollars)

|                 | Amount sold | Total gain | Total loss |
|-----------------|-------------|------------|------------|
| Debt securities | 245         | 0          | (0)        |
| Other           | 2,098       | 0          | -          |
| Total           | 2,343       | 0          | (0)        |

## Derivative transactions

### Derivative contracts not qualifying for hedge accounting

Currencies

Previous fiscal year (As of March 31, 2022)

(Millions of yen)

| Classification                              | Type of transaction        | Contract amount | Portion of contract amount over one year | Fair value | Unrealized gain (loss) |
|---|----------------------------|-----------------|--|------------|------------------------|
| Transactions other than market transactions | Exchange forward contracts |                 |  |            |                        |
|   | Selling Canadian dollar    | 5,971           | -  | (95)       | (87)                   |
|   | Selling British pound      | 4,646           | -  | 25         | 24                     |
|   | Total                      | -               | -  | -          | (63)                   |

Current fiscal year (As of March 31, 2023)

(Millions of yen)

| Classification                              | Type of transaction        | Contract amount | Portion of contract amount over one year | Fair value | Unrealized gain (loss) |
|---|----------------------------|-----------------|--|------------|------------------------|
| Transactions other than market transactions | Exchange forward contracts |                 |  |            |                        |
|   | Selling Canadian dollar    | 4,183           | -  | (24)       | (24)                   |
|   | Selling British pound      | 4,146           | -  | (29)       | (28)                   |
|   | Total                      | -               | -  | -          | (53)                   |

(Millions of dollars)

| Classification                              | Type of transaction        | Contract amount | Portion of contract amount over one year | Fair value | Unrealized gain (loss) |
|---|----------------------------|-----------------|--|------------|------------------------|
| Transactions other than market transactions | Exchange forward contracts |                 |  |            |                        |
|   | Selling Canadian dollar    | 31              | -  | (0)        | (0)                    |
|   | Selling British pound      | 31              | -  | (0)        | (0)                    |
|   | Total                      | -               | -  | -          | (0)                    |

## Retirement benefits

### 1. Summary of retirement benefit plans adopted

The Company has a defined benefit corporate pension plan and a lump-sum severance payment plan which are defined benefit plans. Certain consolidated subsidiaries have defined contribution plans as well as defined benefit plans. The Company and certain consolidated subsidiaries may also pay extra retirement allowance to employees. Certain consolidated subsidiaries adopt a simple method to calculate retirement benefit obligation.

### 2. Defined benefit plans

- (1) Reconciliation between beginning balance and ending balance of retirement benefit obligations (excluding those under the plan in which a simple method is applied)

|   | Previous fiscal year<br>(From April 1, 2021<br>to March 31, 2022) | Current fiscal year<br>(From April 1, 2022<br>to March 31, 2023) |                       |
|---|---|--|-----------------------|
|   | (Millions of yen)   | (Millions of yen)  | (Millions of dollars) |
| Beginning balance of retirement benefit obligations | 67,814  | 73,624   | 553                   |
| Current service costs                               | 3,218   | 3,298  | 24                    |
| Interest cost                                       | 1,193   | 1,892  | 14                    |
| Actuarial gains and losses                          | (3,904)   | (10,608)   | (79)                  |
| Retirement benefits paid                            | (988)   | (2,190)  | (16)                  |
| Past service cost                                   | 2,357   | -  | -                     |
| Other   | (15)  | -  | -                     |
| Foreign currency translation difference             | 3,948   | 4,086  | 30                    |
| Ending balance of retirement benefit obligations    | 73,624  | 70,103   | 527                   |

- (2) Reconciliation between beginning balance and ending balance of plan assets (excluding those under the plan in which a simple method is applied)

|   | Previous fiscal year<br>(From April 1, 2021<br>to March 31, 2022) | Current fiscal year<br>(From April 1, 2022<br>to March 31, 2023) |                       |
|---|---|--|-----------------------|
|   | (Millions of yen)   | (Millions of yen)  | (Millions of dollars) |
| Beginning balance of plan assets        | 55,318  | 57,513   | 432                   |
| Expected return on assets               | 1,600   | 1,936  | 14                    |
| Actuarial gains and losses              | (2,846)   | (5,282)  | (39)                  |
| Contribution by the business operator   | 1,902   | 1,914  | 14                    |
| Retirement benefits paid                | (923)   | (1,979)  | (14)                  |
| Other                                   | -   | -  | -                     |
| Foreign currency translation difference | 2,462   | 2,517  | 18                    |
| Ending balance of plan assets           | 57,513  | 56,619   | 425                   |

- (3) Reconciliation between beginning balance and ending balance of retirement benefit liability under the plan in which a simple method is applied

|   | Previous fiscal year<br>(From April 1, 2021<br>to March 31, 2022) | Current fiscal year<br>(From April 1, 2022<br>to March 31, 2023) |                       |
|---|---|--|-----------------------|
|   | (Millions of yen)   | (Millions of yen)  | (Millions of dollars) |
| Beginning balance of retirement benefit liability | 299   | 354  | 2                     |
| Retirement benefit expenses                       | 100   | 162  | 1                     |
| Retirement benefit payment                        | (4)   | (24)   | (0)                   |
| Contribution into plan                            | (41)  | (82)   | (0)                   |
| Increase due to new consolidation                 | -   | 278  | 2                     |
| Other   | -   | -  | -                     |
| Foreign currency translation difference           | 0   | 0  | 0                     |
| Ending balance of retirement benefit liability    | 354   | 687  | 5                     |

(4) Reconciliation between ending balance of retirement benefit obligations and plan assets, and retirement benefit liability and retirement benefit asset recorded in consolidated balance sheets

|   | Previous fiscal year   | Current fiscal year    |                       |
|---|------------------------|------------------------|-----------------------|
|   | (As of March 31, 2022) | (As of March 31, 2023) |                       |
|   | (Millions of yen)      | (Millions of yen)      | (Millions of dollars) |
| Retirement benefit obligations for funded plans                               | 58,535                 | 54,450                 | 409                   |
| Plan assets   | (58,179)               | (57,336)               | (431)                 |
|   | 355                    | (2,886)                | (21)                  |
| Retirement benefit obligations for unfunded plans                             | 16,110                 | 17,058                 | 128                   |
| Net amounts of liabilities and assets recorded in consolidated balance sheets | 16,465                 | 14,172                 | 106                   |
| Retirement benefit liability  | 25,063                 | 23,084                 | 173                   |
| Retirement benefit asset  | (8,597)                | (8,911)                | (67)                  |
| Net amounts of liabilities and assets recorded in consolidated balance sheets | 16,465                 | 14,172                 | 106                   |

(Note) Includes those under the plan in which a simple method is applied.

(5) Retirement benefit expenses and their breakdown

|  | Previous fiscal year                   | Current fiscal year                    |                       |
|--|--|--|-----------------------|
|  | (From April 1, 2021 to March 31, 2022) | (From April 1, 2022 to March 31, 2023) |                       |
|  | (Millions of yen)                      | (Millions of yen)                      | (Millions of dollars) |
| Current service costs  | 3,318                                  | 3,461                                  | 26                    |
| Interest cost  | 1,193                                  | 1,892                                  | 14                    |
| Expected return on assets                                      | (1,600)                                | (1,936)                                | (14)                  |
| Amortization of actuarial gains and losses treated as expenses | (1,057)                                | (5,325)                                | (40)                  |
| Amortization of past service cost treated as expenses          | 2,357                                  | -                                      | -                     |
| Other  | 183                                    | 367                                    | 2                     |
| Retirement benefit expenses for defined benefit plan           | 4,395                                  | (1,540)                                | (11)                  |

(Note) Retirement benefit expenses of consolidated subsidiaries applying a simple method are recorded in "Current service costs."

(6) Plan assets

a. Main components of plan assets

The ratios of components to plan assets by major category are as follows.

|                   | Previous fiscal year   | Current fiscal year    |
|-------------------|------------------------|------------------------|
|                   | (As of March 31, 2022) | (As of March 31, 2023) |
| Equity securities | 15%                    | 17%                    |
| Debt securities   | 64                     | 67                     |
| Other             | 21                     | 16                     |
| Total             | 100%                   | 100%                   |

b. Method for establishing expected long-term return rate on plan assets

In order to determine expected long-term return rate on plan assets, the present as well as expected future allocation of plan assets, along with the present as well as expected long-term rate of return on various assets comprising plan assets, are considered.

(7) Matters concerning the basis for actuarial calculation

The main calculation bases for actuarial gains or losses are as follows.

|   | Previous fiscal year<br>(From April 1, 2021<br>to March 31, 2022) | Current fiscal year<br>(From April 1, 2022<br>to March 31, 2023) |
|---|---|--|
| Discount rate                                 | 0.6% to 3.5%  | 0.7% to 4.8%   |
| Expected long-term return rate on plan assets | 2.0% to 4.0%  | 2.0% to 4.0%   |

### 3. Defined contribution plans

The amount of contribution required for the defined contribution plans at certain consolidated subsidiaries was ¥2,872 million for the year ended March 31, 2022 and ¥4,006 million (USD 30 million) for the year ended March 31, 2023.

## Income taxes

### 1. Significant components of deferred tax assets and liabilities

|  | Previous fiscal year<br>(As of March 31, 2022) | Current fiscal year<br>(As of March 31, 2023) |                 |
|--|--|---|-----------------|
| Deferred tax assets  |  |   |                 |
| Research and development expenses                              | ¥50,857 million                                | ¥55,234 million                               | USD 415 million |
| Revenue recognition for tax purposes                           | 24,668   | 34,284  | 257             |
| Unrealized intra-group profit and write-downs on inventory     | 19,256   | 20,911  | 157             |
| Accounts payable - other and accrued expenses                  | 12,264   | 11,359  | 85              |
| Retirement benefit liability                                   | 6,745  | 6,259   | 47              |
| Excess depreciation of depreciable or amortizable assets       | 830  | 5,838   | 43              |
| Accrued enterprise tax   | 4,471  | 3,753   | 28              |
| Excess depreciation of deferred assets                         | 4,046  | 3,458   | 26              |
| Other  | 9,973  | 10,125  | 76              |
| Deferred tax assets subtotal                                   | 133,114  | 151,226                                       | 1,137           |
| Valuation allowance  | (1,996)  | (701)   | (5)             |
| Total deferred tax assets                                      | 131,118  | 150,524                                       | 1,131           |
| Deferred tax liabilities                                       |  |   |                 |
| Undistributed retained earnings of subsidiaries and associates | (22,279)                                       | (25,474)                                      | (191)           |
| Valuation difference on available-for-sale securities          | (14,291)                                       | (14,175)                                      | (106)           |
| Other  | (6,549)  | (7,204)                                       | (54)            |
| Total deferred tax liabilities                                 | (43,121)                                       | (46,854)                                      | (352)           |
| Net deferred tax assets  | ¥87,996 million                                | ¥103,670 million                              | USD 779 million |

## 2. Significant factors in the difference between the statutory tax rate and effective tax rate

|   | Previous fiscal year<br>(As of March 31, 2022) | Current fiscal year<br>(As of March 31, 2023) |
|---|--|---|
| Statutory tax rate  | -  | 30.5%   |
| (Adjustments)   |  |   |
| Tax deduction concerning experimentation and research                             | -  | (1.0)%  |
| Different tax rates applied to the consolidated subsidiaries                      | -  | (0.5)%  |
| Foreign tax credit on retained earnings of the overseas consolidated subsidiaries | -  | 0.5%  |
| Effect of profit and loss of the associates accounted for using equity method     | -  | (1.3)%  |
| Other   | -  | (0.3)%  |
| Effective tax rate after tax effect accounting                                    | -  | 28.0%   |

(Note) The information was omitted for the previous fiscal year as the difference between the statutory tax rate and the effective tax rate after tax effect accounting was no more than 5% of the statutory tax rate.

### Asset retirement obligations

Information on asset retirement obligations was omitted as its amount is immaterial.

### Real estate for rent

Information on real estate for rent was omitted as its amount is immaterial.

## Revenue recognition

### 1. Breakdown of revenue arising from contracts with customers

The net sales of the Company group mainly comprise revenue recognized from contracts with customers. A breakdown of this revenue by goods, services, and geographical region is shown below.

Previous fiscal year (From April 1, 2021 to March 31, 2022)

(Millions of yen)

|                                     | Japan   | The Americas | Europe  | Other   | Total     |
|-------------------------------------|---------|--------------|---------|---------|-----------|
| Dedicated video game platforms      | 338,166 | 708,382      | 419,012 | 173,666 | 1,639,227 |
| Of which Nintendo Switch platform*1 | 324,877 | 694,890      | 412,482 | 170,475 | 1,602,725 |
| Of which the others*2               | 13,289  | 13,492       | 6,529   | 3,191   | 36,502    |
| Mobile and IP related income*3      | 18,907  | 27,467       | 4,773   | 2,193   | 53,342    |
| Other (playing cards, etc.)         | 1,783   | 987          | -       | 2       | 2,773     |
| Total                               | 358,857 | 736,837      | 423,786 | 175,862 | 1,695,344 |

\*1 Nintendo Switch platform includes hardware, software (including downloadable versions of packaged software, download-only software, add-on content and Nintendo Switch Online) and accessories.

\*2 Includes platforms other than Nintendo Switch and also amiibo.

\*3 Includes income from smart-device content and royalties.

Current fiscal year (From April 1, 2022 to March 31, 2023)

(Millions of yen)

|                                     | Japan   | The Americas | Europe  | Other   | Total     |
|-------------------------------------|---------|--------------|---------|---------|-----------|
| Dedicated video game platforms      | 342,946 | 672,816      | 390,463 | 138,693 | 1,544,920 |
| Of which Nintendo Switch platform*1 | 326,964 | 660,576      | 385,172 | 136,488 | 1,509,202 |
| Of which the others*2               | 15,982  | 12,240       | 5,290   | 2,205   | 35,718    |
| Mobile and IP related income*3      | 18,746  | 26,385       | 4,426   | 1,508   | 51,067    |
| Other (playing cards, etc.)         | 3,954   | 1,727        | -       | 7       | 5,689     |
| Total                               | 365,647 | 700,929      | 394,890 | 140,210 | 1,601,677 |

(Millions of dollars)

|                                     | Japan | The Americas | Europe | Other | Total  |
|-------------------------------------|-------|--------------|--------|-------|--------|
| Dedicated video game platforms      | 2,578 | 5,058        | 2,935  | 1,042 | 11,615 |
| Of which Nintendo Switch platform*1 | 2,458 | 4,966        | 2,896  | 1,026 | 11,347 |
| Of which the others*2               | 120   | 92           | 39     | 16    | 268    |
| Mobile and IP related income*3      | 140   | 198          | 33     | 11    | 383    |
| Other (playing cards, etc.)         | 29    | 12           | -      | 0     | 42     |
| Total                               | 2,749 | 5,270        | 2,969  | 1,054 | 12,042 |

\*1 Nintendo Switch platform includes hardware, software (including downloadable versions of packaged software, download-only software, add-on content and Nintendo Switch Online) and accessories.

\*2 Includes platforms other than Nintendo Switch and also amiibo.

\*3 Includes income from smart-device content and royalties.

### 2. Information fundamental for an understanding of revenue arising from contracts with customers

Information fundamental for an understanding of revenue arising from contracts with customers is as presented in “V. Financial Information, Consolidated financial statements, etc., Notes to Consolidated Financial Statements, Significant matters forming the basis of preparing the consolidated financial statements, 4. Accounting procedures, (8) Important standards of accounting for revenue and expenses.”

3. Information regarding the relationship between the satisfaction of performance obligations under contracts with customers and cash flows arising from such contracts, as well as the amount and timing of revenue from contracts with customers that existed at the end of the current fiscal year, which is expected to be recognized in subsequent fiscal years

(1) Balance of contract liabilities, etc.

Previous fiscal year (From April 1, 2021 to March 31, 2022)

(Millions of yen)

|  | Previous fiscal year<br>(From April 1, 2021<br>to March 31, 2022) |
|--|---|
| Receivables arising from contracts with customers (as of April 1, 2021)  | 140,570   |
| Receivables arising from contracts with customers (as of March 31, 2022) | 141,087   |
| Contract liabilities (as of April 1, 2021)                               | 110,217   |
| Contract liabilities (as of March 31, 2022)                              | 132,704   |

Of the revenue recognized in the fiscal year ended March 31, 2022, ¥82,976 million was included in contract liabilities as of April 1, 2021.

Current fiscal year (From April 1, 2022 to March 31, 2023)

(Millions of yen)

|  | Current fiscal year<br>(From April 1, 2022<br>to March 31, 2023) |
|--|--|
| Receivables arising from contracts with customers (as of April 1, 2022)  | 141,087  |
| Receivables arising from contracts with customers (as of March 31, 2023) | 119,932  |
| Contract liabilities (as of April 1, 2022)                               | 132,704  |
| Contract liabilities (as of March 31, 2023)                              | 161,231  |

(Millions of dollars)

|  | Current fiscal year<br>(From April 1, 2022<br>to March 31, 2023) |
|--|--|
| Receivables arising from contracts with customers (as of April 1, 2022)  | 1,060  |
| Receivables arising from contracts with customers (as of March 31, 2023) | 901  |
| Contract liabilities (as of April 1, 2022)                               | 997  |
| Contract liabilities (as of March 31, 2023)                              | 1,212  |

Of the revenue recognized in the fiscal year ended March 31, 2023, ¥93,457 million (USD 702 million) was included in contract liabilities as of April 1, 2022.

(2) Transaction price allocated to remaining performance obligations

Previous fiscal year (From April 1, 2021 to March 31, 2022)

As of March 31, 2022, the total amount of transaction price allocated to unfulfilled (or partially unfulfilled) performance obligations associated with pre-charged balances used to purchase products and services on e-commerce websites operated by the Company group was ¥33,152 million. The Company generally expects to fulfill these performance obligations and recognize revenue within one year.

The total amount of transaction price allocated to unfulfilled (or partially unfulfilled) performance obligations associated with transactions where the Company provides products to software publishers or sales agents was ¥23,439 million. The Company generally expects to fulfill these performance obligations



and recognize revenue within one year.

The amounts above do not include unfulfilled (or partially unfulfilled) performance obligations associated with advance sales, the distribution of add-on content, or subscription services, where the contract term is originally expected not to exceed one year, in accordance with the provisions of Paragraph 80-22 (1) of the Accounting Standard.

Current fiscal year (From April 1, 2022 to March 31, 2023)

The Company group applies practical expediency and omits the presentation of transaction price allocated to remaining performance obligations for which the contract period was initially expected to be within one year. The presentation of transaction price allocated to remaining performance obligations for which the contract period was initially expected to exceed one year is also omitted, as the total amount is not material.

## Segment information, etc.

### Segment information

The main business of Nintendo is developing, manufacturing, and distributing handheld and home game system hardware and related software. Development and manufacturing of products for worldwide use are primarily done by the Company while distribution is done mainly by local subsidiaries. Nintendo operates as a single operating segment with a single distribution channel and market for Nintendo's products and with each major subsidiary solely responsible for distributing. Decision for allocation of the management resources and evaluation of business results are made on a company-wide basis, not on a product category or region basis. Therefore, segment information is omitted.

### Related information

Previous fiscal year (From April 1, 2021 to March 31, 2022)

#### 1. Information about products and services

(Millions of yen)

|                        | Nintendo Switch Platform | Other  | Total     |
|------------------------|--------------------------|--------|-----------|
| Sales to third parties | 1,602,725                | 92,618 | 1,695,344 |

#### 2. Information by geographic area

##### (1) Net sales

(Millions of yen)

| Japan   | The Americas |           | Europe  | Other   | Total     |
|---------|--------------|-----------|---------|---------|-----------|
|         |              | from U.S. |         |         |           |
| 358,857 | 736,837      | 633,135   | 423,786 | 175,862 | 1,695,344 |

(Note) Net sales are categorized by country or region based on the location of the customer.

##### (2) Property, plant and equipment

(Millions of yen)

| Japan  | U.S.   | Other | Total  |
|--------|--------|-------|--------|
| 56,258 | 21,129 | 7,777 | 85,164 |

(Note) Property, plant and equipment are categorized by country based on location.

#### 3. Information about major customers

Of sales to third parties, no major customer accounts for 10% or more of net sales in the consolidated financial statements of income.

Current fiscal year (From April 1, 2022 to March 31, 2023)

#### 1. Information about products and services

(Millions of yen)

|                        | Nintendo Switch Platform | Other  | Total     |
|------------------------|--------------------------|--------|-----------|
| Sales to third parties | 1,509,202                | 92,475 | 1,601,677 |

(Millions of dollars)

|                        | Nintendo Switch Platform | Other | Total  |
|------------------------|--------------------------|-------|--------|
| Sales to third parties | 11,347                   | 695   | 12,042 |

## 2. Information by geographic area

### (1) Net sales

(Millions of yen)

| Japan   | The Americas |           | Europe  | Other   | Total     |
|---------|--------------|-----------|---------|---------|-----------|
|         |              | from U.S. |         |         |           |
| 365,647 | 700,929      | 592,462   | 394,890 | 140,210 | 1,601,677 |

(Millions of dollars)

| Japan | The Americas |           | Europe | Other | Total  |
|-------|--------------|-----------|--------|-------|--------|
|       |              | from U.S. |        |       |        |
| 2,749 | 5,270        | 4,454     | 2,969  | 1,054 | 12,042 |

(Note) Net sales are categorized by country or region based on the location of the customer.

### (2) Property, plant and equipment

(Millions of yen)

| Japan  | U.S.   | Other | Total  |
|--------|--------|-------|--------|
| 68,778 | 23,068 | 7,661 | 99,509 |

(Millions of dollars)

| Japan | U.S. | Other | Total |
|-------|------|-------|-------|
| 517   | 173  | 57    | 748   |

(Note) Property, plant and equipment is categorized by country based on location.

## 3. Information about major customers

Of sales to third parties, no major customer accounts for 10% or more of net sales in the consolidated financial statements of income.

### **Information about impairment loss of non-current assets by reportable segment**

The information was omitted as Nintendo operates as a single operating segment.

### **Information about amortized and unamortized balances of goodwill by reportable segment**

The information was omitted as Nintendo operates as a single operating segment.

### **Information about gain on bargain purchase by reportable segment**

The information was omitted as Nintendo operates as a single operating segment.

## Information about related party

### 1. Related party transactions

#### (1) Officers and major shareholders (limited to individuals), etc. of the company filing the consolidated financial statements

Previous fiscal year (From April 1, 2021 to March 31, 2022)

Not applicable.

Current fiscal year (From April 1, 2022 to March 31, 2023)

| Type    | Name              | Percentage of voting rights held (held by related party) | Relationship with related party        | Transaction details  | Transaction amount             | Account | Fiscal year-end balance |
|---------|-------------------|--|--|--|--------------------------------|---------|-------------------------|
| Officer | Shuntaro Furukawa | (held by related party)<br>Direct 0.0%                   | Representative Director of the Company | Disposal of treasury shares in exchange for in-kind contribution of monetary compensation claims | ¥11 million<br>[USD 0 million] | -       | -                       |

(Note) In-kind contribution of monetary compensation claims under the restricted stock compensation plan.

### 2. Note about significant associates

Not applicable.

## Per share information

|                      | Previous fiscal year<br>(From April 1, 2021<br>to March 31, 2022) | Current fiscal year<br>(From April 1, 2022<br>to March 31, 2023) |           |
|----------------------|---|--|-----------|
| Net assets per share | ¥1,763.56   | ¥1,946.55  | USD 14.63 |
| Profit per share     | ¥404.67   | ¥371.41  | USD 2.79  |

(Notes) 1. Diluted profit per share is omitted as no residual securities were outstanding as of March 31, 2022 and 2023.

2. The Company enacted a 10-for-1 stock split of its common stock with an effective date of October 1, 2022. Net assets per share and profit per share are calculated based on the assumption that the stock split was implemented at the beginning of the previous fiscal year

3. The basis of calculation of profit per share is as follows:

|  | Previous fiscal year<br>(From April 1, 2021<br>to March 31, 2022) | Current fiscal year<br>(From April 1, 2022<br>to March 31, 2023) |                   |
|--|---|--|-------------------|
| Profit attributable to owners of parent                          | ¥477,691 million  | ¥432,768 million   | USD 3,253 million |
| Amount not attributable to common shareholders                   | -   | -  | -                 |
| Profit attributable to owners of parent related to common shares | ¥477,691 million  | ¥432,768 million   | USD 3,253 million |
| Average number of shares (common shares)                         | 1,180,448<br>thousand shares                                      | 1,165,213<br>thousand shares                                     | -                 |

## Significant subsequent events

Not applicable.

(v) Supporting schedules to the consolidated financial statements

**Supplemental schedule of bonds**

Not applicable.

**Supplemental schedule of borrowings**

| Classification                              | Beginning balance                  | Ending balance                     | Average interest rate (%) | Payment due                    |
|---|------------------------------------|------------------------------------|---------------------------|--------------------------------|
| Short-term loans payable                    | -                                  | -                                  | -                         | -                              |
| Long-term loans payable due within one year | -                                  | ¥45 million<br>[USD 0 million]     | 0.50                      | -                              |
| Lease obligations due within one year       | ¥1,141 million<br>[USD 8 million]  | ¥1,299 million<br>[USD 9 million]  | 1.82                      | -                              |
| Long-term loans payable due after one year  | -                                  | ¥143 million<br>[USD 1 million]    | 0.50                      | April 2024 -<br>October 2030   |
| Lease obligations due after one year        | ¥5,093 million<br>[USD 38 million] | ¥4,798 million<br>[USD 36 million] | 1.81                      | April 2024 -<br>September 2030 |
| Other interest-bearing liabilities          | -                                  | -                                  | -                         | -                              |
| Total                                       | ¥6,235 million<br>[USD 46 million] | ¥6,287 million<br>[USD 47 million] | -                         | -                              |

- (Notes) 1. Average interest rate represents the weighted average interest rate on the ending balance.  
2. The average interest rates on lease obligations of the Company and its consolidated subsidiaries in Japan are omitted as the interest equivalents included in lease payments are allocated to each fiscal year by the straight-line method. Only the average interest rates on lease obligations of consolidated subsidiaries outside of Japan are shown.  
3. With respect to long-term loans payable and lease obligations (excluding the current portion), the scheduled annual repayment amount within five years from the consolidated account closing date is as follows.

|                         | More than one year<br>but no more than two<br>years<br>(Millions of yen) | More than two years<br>but no more than<br>three years<br>(Millions of yen) | More than three years<br>but no more than four<br>years<br>(Millions of yen) | More than four years<br>but no more than five<br>years<br>(Millions of yen) |
|-------------------------|--|---|--|---|
| Long-term loans payable | 44   | 34  | 14   | 14  |
| Lease obligations       | 1,113  | 971   | 775  | 596   |

|                         | More than one year<br>but no more than two<br>years<br>(Millions of dollars) | More than two years<br>but no more than<br>three years<br>(Millions of dollars) | More than three years<br>but no more than four<br>years<br>(Millions of dollars) | More than four years<br>but no more than five<br>years<br>(Millions of dollars) |
|-------------------------|--|---|--|---|
| Long-term loans payable | 0  | 0   | 0  | 0   |
| Lease obligations       | 8  | 7   | 5  | 4   |

**Supplemental schedule of asset retirement obligations**

The information was omitted as the amounts of asset retirement obligations as of the beginning and end of the fiscal year ended March 31, 2023 were less than or equal to 1% of the total of liabilities and net assets as of the beginning and end of the fiscal year ended March 31, 2023.

**(2) Other**

Quarterly information of the fiscal year ended March 31, 2023

(Millions of yen)

| (Cumulative period)                     | Three months | Six months | Nine months | Fiscal year |
|---|--------------|------------|-------------|-------------|
| Net sales                               | 307,460      | 656,974    | 1,295,178   | 1,601,677   |
| Profit before income taxes              | 166,740      | 322,355    | 482,469     | 600,757     |
| Profit attributable to owners of parent | 118,984      | 230,451    | 346,227     | 432,768     |
| Profit per share (Yen)                  | 101.85       | 197.61     | 297.05      | 371.41      |

(Millions of dollars)

| (Cumulative period)                     | Three months | Six months | Nine months | Fiscal year |
|---|--------------|------------|-------------|-------------|
| Net sales                               | 2,311        | 4,939      | 9,738       | 12,042      |
| Profit before income taxes              | 1,253        | 2,423      | 3,627       | 4,516       |
| Profit attributable to owners of parent | 894          | 1,732      | 2,603       | 3,253       |
| Profit per share (Dollars)              | 0.76         | 1.48       | 2.23        | 2.79        |

(Yen)

| (Accounting period) | First quarter | Second quarter | Third quarter | Fourth quarter |
|---------------------|---------------|----------------|---------------|----------------|
| Profit per share    | 101.85        | 95.74          | 99.44         | 74.33          |

(Dollars)

| (Accounting period) | First quarter | Second quarter | Third quarter | Fourth quarter |
|---------------------|---------------|----------------|---------------|----------------|
| Profit per share    | 0.76          | 0.71           | 0.74          | 0.55           |

(Note) The Company enacted a 10-for-1 stock split of its common stock with an effective date of October 1, 2022. Profit per share is calculated based on the assumption that the stock split was implemented at the beginning of the fiscal year ended March 31, 2023.

## Corporate Information

### Common Shares

Nintendo Co., Ltd. common shares are listed on the Tokyo Stock Exchange, Prime Market.

### Annual General Meeting of Shareholders

The Annual General Meeting of Shareholders for the fiscal year ended March 31, 2023 was held on June 23, 2023 at Kyoto International Exhibition Hall “Miyako Messe” in Kyoto, Japan.

### Independent Auditor

PricewaterhouseCoopers Kyoto  
Kyoto, Japan

## Contact Information

### Investor Relations

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**For more information, please visit Nintendo’s website.**

### Investor Relations Information

(includes Management Policy, IR Events, Financial Data and Stock Information)

<https://www.nintendo.co.jp/ir/en/index.html>

### Company History

<https://www.nintendo.co.jp/corporate/en/history/index.html>

### CSR Information

<https://www.nintendo.co.jp/csr/en/index.html>