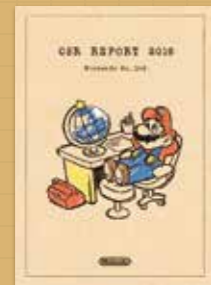


## CSR REPORT 2016

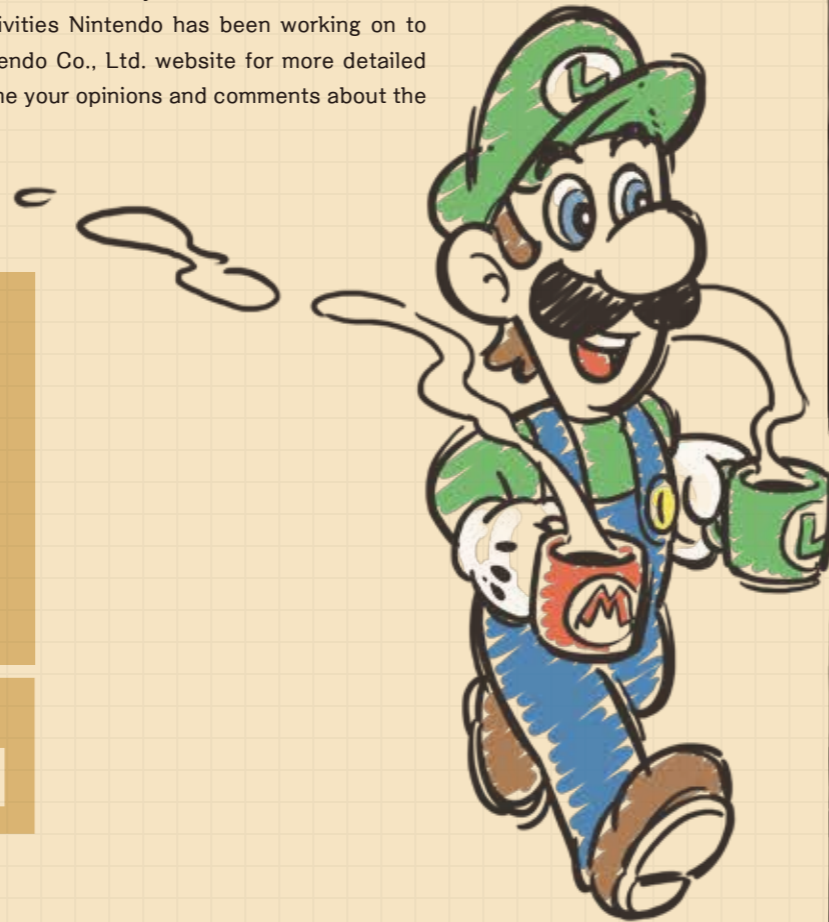
We define CSR as "Putting Smiles on the Faces of Everyone Nintendo Touches."  
This CSR report is a digest version of the activities Nintendo has been working on to achieve our CSR goal. Please refer to the Nintendo Co., Ltd. website for more detailed information about our CSR activities. We welcome your opinions and comments about the CSR Report 2016 on our website.

Digest Version (this report)



Detailed Version (website)

<http://www.nintendo.co.jp/csr/en/>



### Reporting Scope

The scope of this report covers the activities and data of the Nintendo Group (Nintendo Co., Ltd. and its main subsidiaries). Any information not within this scope is explicitly identified as such. For the purposes of this report, the term "Nintendo" refers to the entire Nintendo Group. Nintendo Co., Ltd. is referred to by its complete name.

### Reporting Period

This report mainly covers activities in fiscal year 2015 (from April 2015 through March 2016), in addition to some recent activities and some activities prior to fiscal year 2015.

### Publication Date

Publication date of English report: July 2016  
(The next English report will be published in July 2017)

### Nintendo Overview

#### Company Name

Nintendo Co., Ltd.

#### Location

11-1 Hokotate-cho, Kamitoba, Minami-ku, Kyoto, Japan

#### Founded

September 1889

#### Incorporated

November 1947

#### Capital

10,065,400,000 yen

#### Sales

504,459,000,000 yen (fiscal year ended March 2016)

#### Number of Consolidated Employees

5,064 employees (as of the end of March 2016)

#### Business Description

Manufacture and sale of home leisure equipment

## CSR REPORT 2016

Nintendo Co., Ltd.



**Nintendo**

## CSR is at the very heart of what we do. We are always seeking new ways to make people smile.

To put smiles on the faces of everyone Nintendo touches – this is the driving principle behind our CSR activities. Those words express our social responsibility as an entertainment company, and are precisely the reason for Nintendo’s existence. We hope to promote our CSR activities by cherishing the aspirations inherited from our former president Mr. Iwata, who passed away in July of 2015.

### Bringing Beloved Nintendo Characters to More People than Ever

Up to now, Nintendo has worked to expand the gaming population based on a commitment to bring smiles to people across the world through products and services. From now on, we want to go a step further and aim to expand the population that comes in contact with Nintendo’s IP (intellectual property).

In September of 2015 we celebrated the 30th anniversary of *Super Mario Bros.*, which debuted in 1985. It is our pride and our strength that Mario, the main character of this game, is known worldwide and is loved by people across generations. New characters have also been embraced, such as the cast of *Splatoon*, a new game released in May of 2015.

The use of Nintendo’s IP was previously focused only on dedicated video game systems. We now want to appeal to a wider group beyond those currently playing our game machines, from lapsed fans who enjoyed Nintendo products in the past to those who have never played a game system. We want to bring smiles to people as they get to know Nintendo as a company, experience our products and services, and sense the possibilities of entertainment.



### Accurately Assessing and Addressing Local Needs

While holding to our central goal of putting smiles on people’s faces, Nintendo needs to be flexible in how it responds to issues that have become more complex and varied. We cannot simply apply Japanese methods to Nintendo Group companies across the world. Rather, we should seek to understand each particular situation within the context of its region to determine the most suitable approach.

Regarding diversity issue or human resource utilization, for example, there is a focus on women’s careers in Japan. However, different countries and regions present different situations and needs. In order to respond to these differences adequately, we share our global mission to respect human rights and prevent discrimination, and we put this into practice by pinpointing the specific challenges facing each region. When it comes to incorporating talent from a wide array of cultures, the parent company can learn from some of the Nintendo Group companies abroad, which have more advanced initiatives in this area.

For a long time we have addressed environmental concerns in part by limiting power consumption with energy-saving designs for game systems, and by seeking to use renewable energy at each office location. Again, the particular emphases for this issue differ by region. To address one topic, Nintendo may need to take multiple actions.

In this year’s CSR Report, we have included a section where the top executive in each region shares his view of CSR issues and how he is addressing them. We do this to further illustrate our approach to individual CSR activities for each region. Needless to say, common issues exist that Nintendo should address globally, but to put a smile on the face of everyone Nintendo touches, it is important that people with the best understanding of each region proactively pursue local strategies.

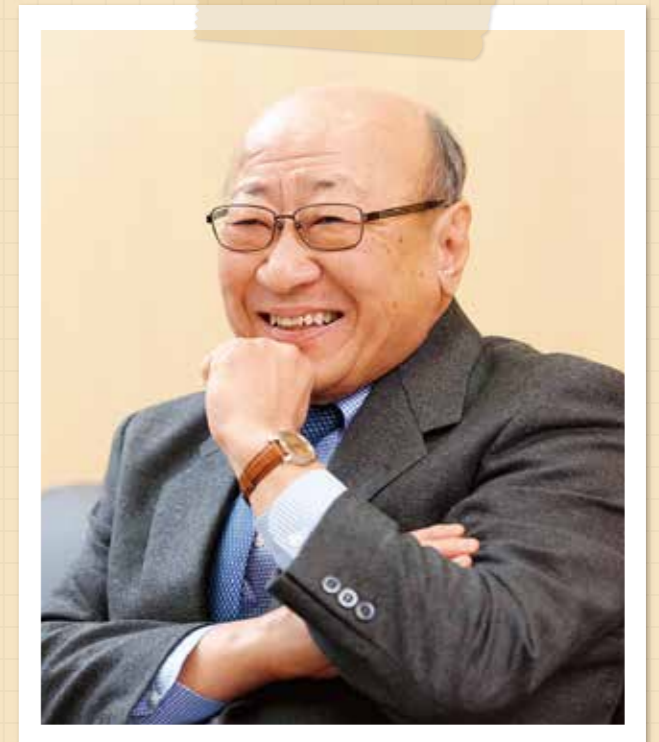
### Empowering Employees to Create the Future

The gaming industry is constantly changing, and it can be difficult to predict how it will evolve even a few years ahead. To continually surprise our consumers and exceed their expectations, we hold fast to a value system based on the following three elements: originality, flexibility, and sincerity. We refer to these as Nintendo’s DNA.

A strong creative spirit is essential to Nintendo’s growth. The value of entertainment lies in being different, and in being able to take on challenges without fearing failure. It is also important to think about what is needed now and not be bound by the past, so we can be flexible and adapt to changes. In addition, Nintendo is supported by many stakeholders, and we must face everyone Nintendo touches with sincerity.

By fostering an environment where people are not afraid to try creative solutions, we can carry on the Nintendo DNA and add to the value of the company. To fully realize our aspiration to make people smile and to give them pleasant surprises, we aspire to be an organization that promotes balanced cooperation between new recruits and seasoned employees. Starting last fiscal year, we began the process of internal reorganization to come up with a structure that is suited to the challenges of the future.

To put smiles on the faces of everyone Nintendo touches is no easy task. But just as we will strive to deliver surprises and smiles with our products and services, we will continue to promote CSR activities in countries around the world.



A handwritten signature in black ink that reads "Kimishima".

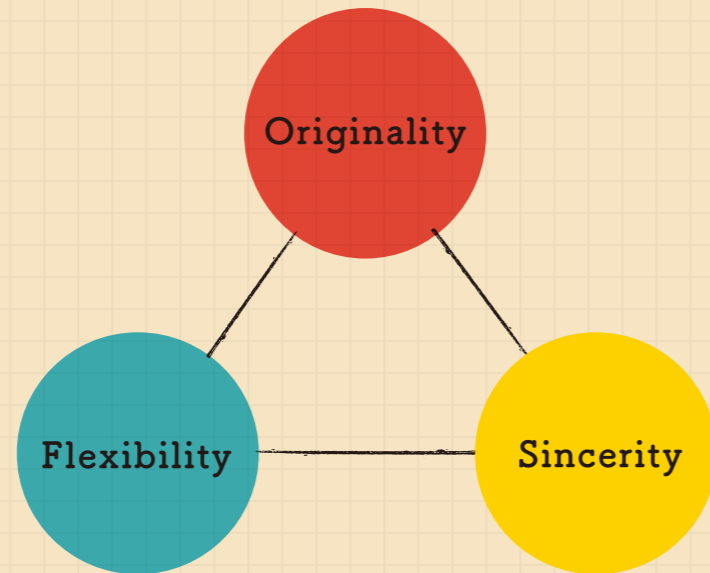
Tatsumi Kimishima

President  
Nintendo Co., Ltd.



# Putting Smiles on the Faces of Everyone Nintendo Touches

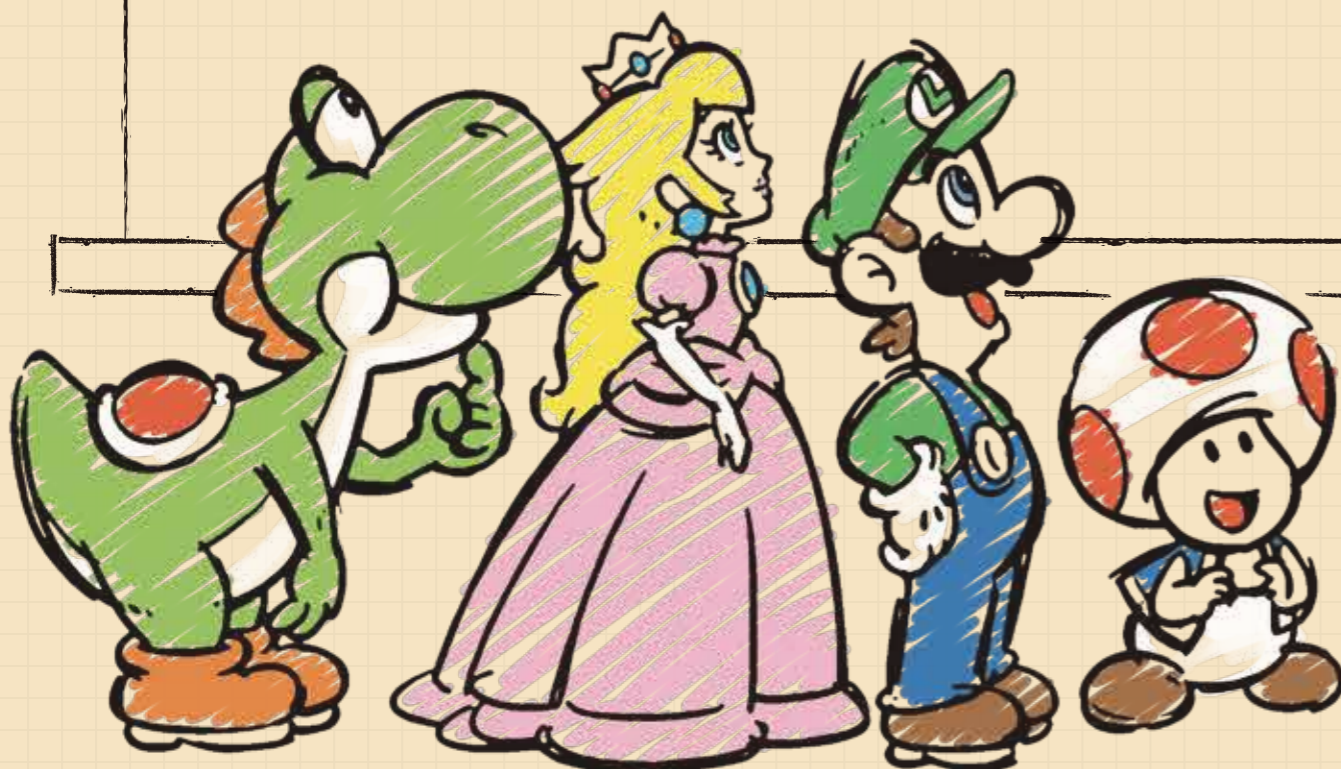
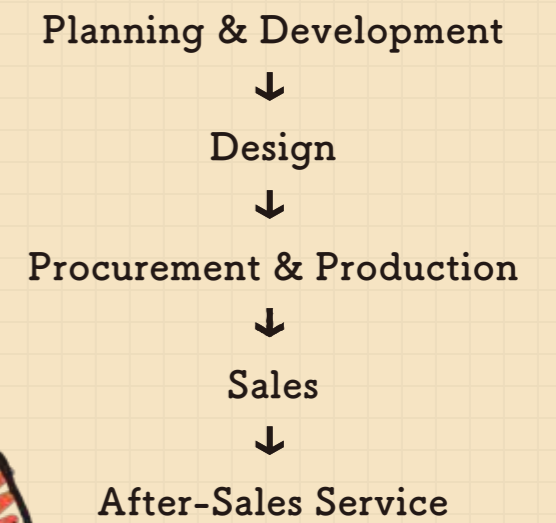
## Nintendo DNA



## Nintendo's Strength

- Characters Loved by Generations
- Trustworthy Partnerships
- Family Friendly Considerations
- Software - Hardware Integrated Development
- Hospitality

## Nintendo's Role



## The Entire Company is United in Delivering Smiles Throughout the World

While the Nintendo Group shares global policies and pursues CSR activities together, it is important for those who best understand the issues specific to each region to take the lead with local initiatives. Here, we will present messages from those in charge of CSR for each region.

### Nintendo of Europe GmbH

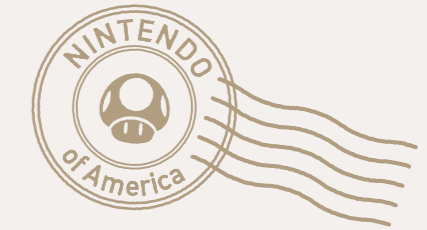
Established in 1990.

Located in Frankfurt, in the German Federal State of Hessen. In charge of selling Nintendo products in cooperation with multiple subsidiaries within Europe. Number of employees: 868 (as of March 2016).



### Reginald Fils-Aimé

President  
Nintendo of America Inc.



## Bringing Smiles to People's Faces through Inclusion and Accessibility

In pursuing our mission to put smiles on people's faces, we constantly look for ways to better serve our consumers, employees, and business partners. We place a high level of importance on inclusion and accessibility, which are critical elements of Nintendo's Corporate Social Responsibility (CSR).

As an example of our efforts to facilitate inclusion, the *Fire Emblem Fates* games not only allows marriage between members of the opposite sex, but between members of the same sex as well. We made this development choice because we believe our gameplay experiences should reflect the diversity of the communities in which we operate. We also want to ensure that inclusion and diversity are built into our work environment. We fundamentally believe that our results are better when we more fully represent the entire range of our potential consumers. As a result, women and minorities hold key leadership positions at Nintendo of America.

One way we focus on accessibility is by taking special care to speak to children on their terms. Nintendo of America created the Play Nintendo website specifically for kids, with playful, family-friendly content designed to introduce them to our characters and game franchises in ways that parents can feel good about. At Nintendo, we have always made it a top priority to provide products and services that can be enjoyed by anyone, regardless of their age or gaming experience.

While we are proud of the ways in which we have made Nintendo of America a responsible member of the communities we serve, there is always more work to be done. I will continue to lead CSR activities and work with our employees to put smiles on the faces of as many people as possible.



### Nintendo of America Inc.

Established in 1982.

Located in Redmond, Washington. In charge of the sale of Nintendo products in the Americas. Number of employees: 1,257 (as of March 2016).



### Nintendo Australia Pty. Ltd.

Established in 1993.

Located in Melbourne, Victoria. In charge of the sale of Nintendo products in Australia and New Zealand. Number of employees: 75 (as of March 2016).



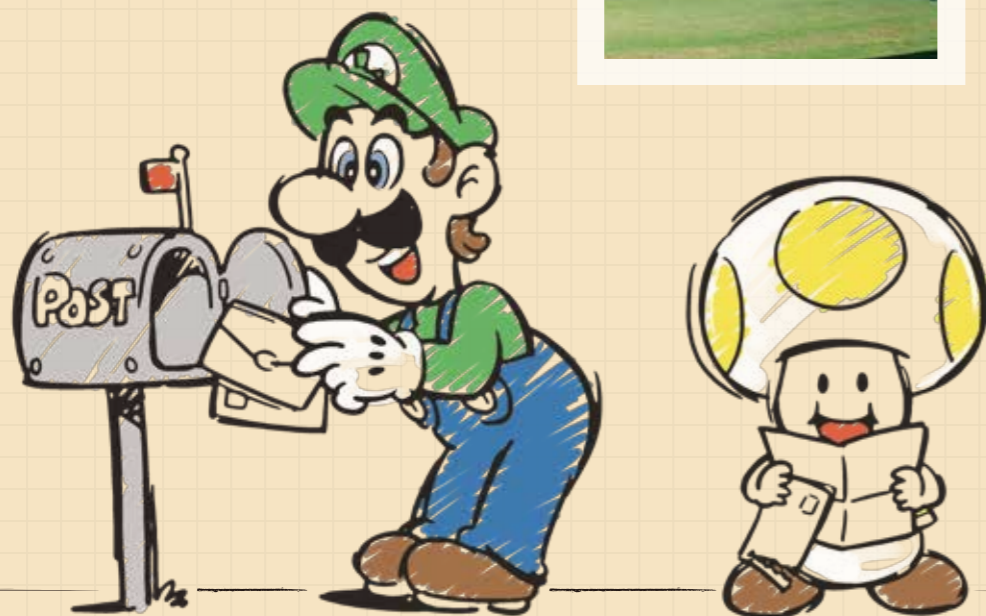
We support various charities, such as United Way and the Starlight Children's Foundation. In addition, we support employees who engage in volunteer activities.



The Wellness Champions team plans monthly events and challenges to promote the health of our employees. Also, we introduced a new program that gives employees a 30 percent premium differential on their monthly health benefit premiums when they complete preventative and healthy activities.



The Green Team is an organization consisting of employees who volunteer their time to plan and operate environmental activities, such as a tree-planting event. Our company promotes recycling and the reuse of Nintendo products through a free collection program for individual consumers and companies. The recycle rate has been consistently reported at 99 percent, and we have been able to reuse about two-thirds of the products in their original form.





**Satoru Shibata**  
President  
Nintendo of Europe GmbH



**We Listen to our Stakeholders and Provide Safe and Secure Products and Services**

I have had the privilege of leading the Nintendo of Europe family for many years. As part of the wider Nintendo family, we recognize our responsibility to society when conducting our business. Whether at the global or European level, our objective remains the same: to put smiles on the faces of everyone Nintendo touches. We strive to embody this definition in our business activities and, as such, we always consider how our actions impact our European stakeholders.

As a games and entertainment company, many of our most valued consumers are children. Therefore, a key focus for us is to ensure that we cater to their wellbeing by fostering a safe environment for them. We also place particular emphasis on promoting environmental conservation, including complying with the strict environmental laws and regulations.

We are proud that Nintendo of Europe voluntarily allows the Unterhaltungssoftware Selbstkontrolle (USK), a self-regulatory body responsible for video game classification in Germany, to examine all of its online services for legal compliance with the German regulations for the protection of young people. Further, we have worked to make information on our products more easily accessible for parents to increase awareness of parental control features and to ensure that children can play safely.

We have worked in sync with the Nintendo Group's global efforts to reduce harmful chemicals, use recycled materials more and reduce CO<sub>2</sub> emissions in our production. Furthermore, we have gained expertise in chemical substance management of our entire supply chain, including upstream part and component manufacturers, in accordance with the RoHS Directive and the REACH Regulation in Europe.

We continue operating responsibly in everything we do so we can continue to put smiles on the faces of everyone we touch.



**Tsutomu Enoki**  
Managing Director  
Nintendo Australia Pty. Limited



**Diversity is the Source of Our Strength**

We at Nintendo Australia share Nintendo's global CSR policy of "Putting Smiles on the Faces of Everyone Nintendo Touches." With this intention, our first aim is to provide consumers in Australia and New Zealand with entertaining Nintendo products and services.

We also recognize that it is very important for us to define our unique values and realize them through our local CSR activities. One of these values is diversity in the workplace. Australia has a rich history of immigration. Today, people from many ethnic and cultural backgrounds come together to form the Australian identity. The modern day Australian society enjoys strength from the variety that cultural diversity brings, and Nintendo Australia is no exception. We are proud that people from many different cultural backgrounds contribute to the company's friendly working environment. However, I believe that embracing ethnic and cultural diversity means more than simply working without discrimination. The challenge facing us is to acknowledge and respect individual differences and to appreciate the value that these differences bring. For this purpose, in October 2015 we held the Diversity Food Event within the company.

In addition, Australia is well known for its unique natural environment, and we are serious about our responsibility to nature. Our office is located in a suburban area to the southeast of Melbourne, and interestingly, platypus and other wildlife can be found in the nearby waterways. To contribute, even if just a little, to this rich natural environment, the Nintendo Australia staff have been volunteering for regional cleaning activities since 2014. It is a great honor for us to contribute to our local community through such meaningful activities.

CSR activities are a good opportunity for us to view our surroundings with fresh eyes. At Nintendo Australia, we will continue to search for any chance to put smiles on people's faces and we look forward to taking on this challenge.

To promote employee health, we offer office yoga classes before and after work that employees can attend whenever they like.



Other European offices are also conducting various CSR initiatives. For more information, please refer to the 2016 CSR Report (full version).



We held a Diversity Food Event in our company in October 2015 to deepen our employees' understanding of cultural diversity. Employees brought traditional dishes from their native countries, providing a delicious introduction to their cultures.



To contribute, even if just a little, to the conservation of the natural environment around our offices, our employees volunteer to help with local cleanup activities.

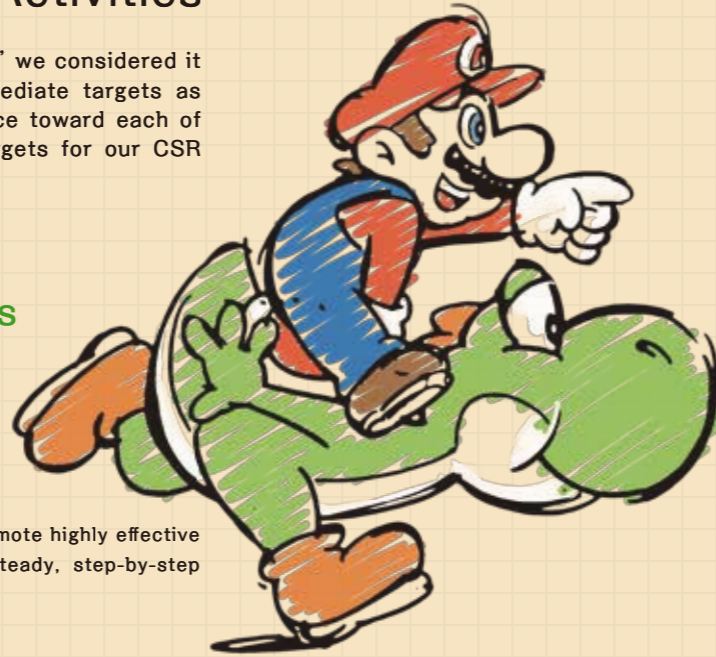


## Clearly Describing our Aspirations and Progressively Promoting CSR Activities

To “Put Smiles on the Faces of Everyone Nintendo Touches,” we considered it important to both describe our aspirations and set intermediate targets as guides toward our ultimate goals, and to steadfastly advance toward each of these targets. We have therefore set new intermediate targets for our CSR activities.

### Identifying Priority Areas and Promoting CSR Activities in Stages

Nintendo has taken various initiatives while considering which CSR activities best leverage our strengths and put smiles on everyone’s faces. For the 2015 fiscal year, we prioritized certain topics after taking into account the demands of society, the nature of our business, and the opinions of people inside and outside the company. Our aim was to make good use of limited resources to promote highly effective projects. We have set a series of three-year targets to guide steady, step-by-step implementation of CSR activities toward our aspirational objectives.



### Medium-Term Plan for CSR Promotion

**PHASE 1** 2015 ~ 2017

- Educate employees throughout the company on our CSR goal
- Specify priority areas
- Decide on and execute strategies for priority areas

**PHASE 2** 2018 ~ 2020

- Continue improvements in priority areas
- Increase commitment in Nintendo’s areas of strength

**PHASE 3** 2021 ~

- With initiatives that leverage our strengths, we will meet society’s expectations and put smiles on people’s faces

### Identifying priority areas

#### Nintendo’s CSR

##### Consumers

- New Potential of Video Games
- Achieving Quality and Safety
- Considerations When Developing Software and Services
- Making Things Easier to Understand, Easier to Use
- Responding Effectively to Consumers

##### Management

- CSR Management
- Corporate Governance
- Compliance
- Risk Management
- Effective Use and Protection of Intellectual Property
- Information Disclosure

##### Employees

- Benefiting the Company as a Whole
- Promoting a Diverse Work Environment
- Creating a Safe and Healthy Workplace

##### Business Partners

- Working with Our Production Partners
- Working with Our Development Partners
- Working with Our Sales Partners

##### Future Generations (Environment)

- Environmental Management System
- Eco-Friendly Products
- Environmentally Conscious Business Activities

##### Communities

- Nintendo’s Unique Contributions

#### Evaluation

Using the following criteria, we evaluated our previous activities and prioritized areas that require a special focus, and that capitalize on Nintendo’s strengths.

##### Social Demands

We are committed to addressing important issues of major societal concern, such as respecting human rights throughout the supply chain and addressing the issue of conflict minerals.

##### Self-Assessment (from employee surveys)

In 2014, we conducted a CSR survey of employees in the major Nintendo Group offices. The results highlighted the need to strengthen our system of promoting CSR and to establish a CSR mindset throughout the company.

##### Advice from Outside Experts

We received advice from outside experts on areas where we can leverage Nintendo’s strengths and where we need to strengthen our efforts.

#### Priority Areas

##### New Potential of Video Games

We want people to experience the positive influence that our products have on society, such as the new communication channels gaming opens up. Further, we wish to increase the number of consumers, even if only by a small number, who tell us that a Nintendo product made them smile and made their life more fulfilling.

##### Working with Our Production Partners

###### CSR Procurement (including the issue of conflict minerals)

Promoting CSR initiatives throughout the supply chain not only improves working conditions for people on the production floors, but also leads to high quality production, which in turn enables us to put smiles on our consumers’ faces. We will continue to emphasize mutual understanding and communication in our cooperation with our production partners.

##### CSR Management

###### Strengthening Our System for Promoting CSR

We aim to be an organization that regularly reviews its own efforts using the Plan-Do-Check-Act cycle, identifies and foresees future issues, and addresses them at an early stage.

###### Enhancing Communication

We wish to communicate Nintendo’s aspirations to everyone we come into contact with, gain their understanding and firmly accept the social expectations of Nintendo.

##### Promoting a Diverse Work Environment

###### Human Rights, Respect for Diversity, and Promoting Women’s Careers

Employees from various cultural backgrounds work together at Nintendo to put smiles on people’s faces. Because employees are the source of Nintendo’s competitiveness, it is important that we create a comfortable working environment. As a global enterprise, we also consider it important to establish an appropriate awareness of human rights.

Note: The 2016 CSR Report (full version) describes each of the above activities.

## Partnering with Consumers to Create New Possibilities

Nintendo is always exploring new possibilities in gaming, new ways to put smiles to the faces of our consumers.

*Super Mario Maker* is a new type of game that people around the world can enjoy, in which players create their own courses.



### What is *Super Mario Maker* ?

The side-scrolling action game *Super Mario Bros.*, released in 1985, sold 40 million units globally and spread home video games throughout the entire world. On the landmark 30th anniversary of *Super Mario Bros.* in 2015, *Super Mario Maker* was released. The game not only allows players to enjoy classic *Super Mario Bros.* action, but they can also create their own courses as easily as scribbling.



#### Yoshikazu Yamashita

Entertainment Planning & Development Department, Nintendo Co., Ltd.

Took part in developing *Super Mario 64 DS* and *Wii Sports*, and was the Senior Director for *Super Mario Maker*.

#### Yosuke Oshino

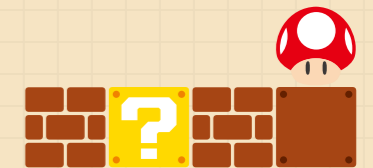
Software Planning & Development Department, Nintendo Co., Ltd.

Took part in developing the *Pikmin* series for Wii, *Nintendogs + Cats* and *New Super Mario Bros. for Wii*, and was the Director for *Super Mario Maker*.

## We Wanted to Give Everyone the Joy of Creating a Course

One of best parts of being a game developer, which is a job that many would love to have, is in creating new experiences that cause people to smile. This can now be easily experienced by anyone thanks to the *Super Mario Maker* game for the Wii U console.

Here, two people who helped develop *Super Mario Maker* discuss how the game was created, how to enjoy it, the goals they aspired to, and the future possibilities of gaming.



Can you tell us how *Super Mario Maker* was developed?

#### Oshino:

There is an internal team dedicated to creating tools for the efficient development of games. That team was exploring how to develop *Super Mario* courses more easily, and what they came up with became the prototype for this software.

#### Yamashita:

The team had been experimenting to see if *Super Mario* courses, which until then had been created on personal computers, could be made more easily on the Wii U. Instructions that are put into a PC, such as "place this character at this point in the course," aren't activated until data from the PC is converted and transferred to the

game console. At minimum, it takes one minute. However, with the development tool that runs on the Wii U, there was little to no time lag between creation and play. Things worked as desired as soon as the instructions were given. A game developer saw this process and thought it could be commercialized, so we took over and turned it into a product.

#### Oshino:

For me, when I tried this experimental development tool for the first time, it felt really responsive. Course creation had previously been something that could only be performed by software developers like us. When I saw that it could be quite easily done on a game console, I felt that we could turn this into an interesting product.

When we had various people try it out and each person made the course they wanted, resulting in many *Super Mario* courses never seen before. I felt that the courses looked interesting, and I think that the others who saw them instantly felt the same way.

#### Yamashita:

You can make a course very easily and have someone test it immediately. This core part of the software was already established, and we took great care to preserve it while polishing each element for commercial use.



What aspects did you focus on to make the development tool appealing as a product?

#### Oshino:

The number of enemies and objects that can be placed on a course was greatly increased from what we started with, to allow creators to realize their full vision. However, our objective was that elementary school children should be able to create a course easily without consulting the instruction manual. So, we were careful to balance things out so the process would not become overly complicated, with too many elements.

#### Yamashita:

As much as we could, we wanted to make it possible to do the things that were possible in past *Super Mario* games. However, trying to include everything made course creation too complicated. For example, in the *Super Mario* series the screen can sometimes be scrolled vertically, but enabling vertical scrolling made course creation too complex. We tried to figure out what was appropriate by actually creating the courses.

#### Oshino:

In the *Super Mario* series, going down a pipe takes you to a different sub-area of the course. We worked hard to visually communicate the complicated area switchover that is normally processed on the PC. By dragging and dropping Mario onto a pipe to trigger the transition to a sub-area, we were finally able to clearly express to the player that they had gone to a different location. We sought to achieve something that would satisfy users who had played *Super Mario* games in the past, but that could also be enjoyed by early elementary school children without them needing to read an instruction manual.



I want people to find a way to play that is fun for them.

**Oshino:**

It's nice to have someone tell you over the network that your course is fun, but I also want people to enjoy the act of creation itself. I think this software allows you to freely determine the way you like to play, without being bound by rules.

Actually, we have secretly hidden lots of fun little features to make that sort of play really enjoyable. For example, when placing enemy characters or blocks, the hand icon is normally shown doing the arranging, but we made it so that it can be changed to a dog's paw or a cat's paw. Also, if you feed the enemy character a Super Mushroom, its body will grow larger. But if you were able to feed them two mushrooms, they would get so big that the game wouldn't work correctly. To tell the players that this isn't allowed, we have the characters spit out the second mushroom.



↑ You can switch the stylus hand to a cat paw or a dog paw.

**Yamashita:**

Not all of these tidbits are directly related to creating a course, but the software developers put them in as they pleased. For example, when you knock on a door, the knock is returned with precisely the same number of knocks as the initial series. Also, when the network upload is taking time, a drum sound starts playing that has nothing to do with the game! I think we ended up with 100 tidbits. We have to have fun ourselves, to create something enjoyable for others, so we incorporated a lot of things that we felt were interesting.

Q What kinds of things do you want to see happen through Super Mario Maker?

**Oshino:**

I was hoping that a new kind of communication would be born through this software. By connecting to the network, people around the world can play a course that you created. For example, someone in Japan can play a course created by someone in the United States and comment on it. Even if they don't share the same language, they can communicate by "liking" each other's courses. When I see people from different countries play each other's creations, I truly feel that there are no borders to gaming.

**Yamashita:**

This game can also be played without connecting to the network. You can enjoy seeing the reactions of people around you. For example, I think conversations may start when a family member plays a course that you created. This is because the Super Mario series is still being played 30 years after its inception, and everyone knows those games. It would be nice if the father who played Super Mario Bros. 30 years ago could play a course that his child created on Super Mario Maker, and they start communicating.

When I heard that a father created a simple course so that it could be easily cleared by his child who had just started gaming, I felt that a new way of enjoying games had been born.

Q

Please tell us what you were able to achieve through the launch of Super Mario Maker.

**Oshino:**

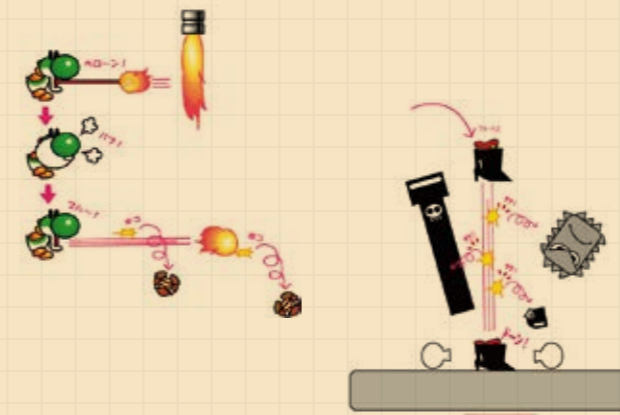
Until now, communication flowed in one direction only – that is, we delivered games to the consumers. However, I think this software made two-way communication possible. While we created the base software that is Super Mario Maker, its true value is only realized through the participation of its players.

Currently, an average of 30,000 user-created courses are posted to the network per day, and the total number of postings has already reached 6 million courses [as of January 2016]. I don't know how many years it would take for Nintendo alone to create this many, but because so many consumers participated, we can now freely enjoy such an amazing number of courses.

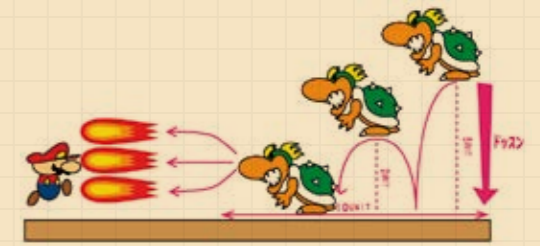
**Yamashita:**

Super Mario Maker drove home to me the amazing creativity of our consumers. The more they enjoy the process of creating their own game, the more likely it is that fulfilling and exciting games will be born.

Some people play in ways that we never imagined. I feel that consumers are putting smiles on each other's faces. It has been a really refreshing experience for me to work together with players to put something out into the world that is fun. I hope we take on other projects of this sort in the future. I'm hoping to add many more consumers, so that together, all of us can create fun things and put smiles on the faces of everyone involved with the game. We want to cherish this new relationship with the players, and keep on creating products that surprise them.



I want them to first feel the joy of creating a course.



**Make it**

Drag and drop items from the palette such as enemies, obstacles, and blocks to populate your course, then share it with people all over the world.



**Play**

It is possible to download and play a near-infinite number of Super Mario Maker courses made by players from around the world.





## Working with Our Production Partners on CSR Procurement

Nintendo has a fables production model, meaning we do not own the facilities that manufacture our products. Consequentially, the cooperation of production partners in Japan and abroad is essential. We therefore work directly with them on initiatives for CSR procurement, which in turn helps us to create safe and high-quality products, leading to put smiles on the faces of our consumers.



### Continuous On-Site Inspections

On-site inspections are a very important way for us to know the efforts our production partners are making. Nintendo Co., Ltd. does not rely solely on written reports, but actually visit and observe the sites. When conducting an on-site inspection, we discuss what needs to be improved and provide a detailed explanation on why those improvements are necessary. These visits are a valuable opportunity to reinforce Nintendo's stance on CSR, so that our production partners have a deep understanding of Nintendo's goals for CSR procurement.

In fiscal year 2015, we conducted on-site inspections at 16 companies (13 new companies). To date, we have conducted on-site inspections for production partners that account for approximately 80% of total production expenditure.

During our on-site inspections, we interview facility managers, check employment contracts and overtime logs, and inspect the production floor and employee dormitory to see if their company rules are being applied properly and if the necessary information is being shared with the employees working on the production floor.

Further, CSR representatives of overseas subsidiaries also visit major production partners and hold hearings on the work environment and occupational health and safety.

### Monitoring by Third Parties

Nintendo Co., Ltd. has been adopted a third-party monitoring process since fiscal year 2013 to further increase transparency in the supply chain. In fiscal year 2015, an independent third party monitored four of Nintendo's production partners with an emphasis on human rights and labor practices as outlined in the Nintendo's CSR Procurement Guidelines.

### Reestablishing Our CSR Procurement System

Since fiscal year 2015, Nintendo Co., Ltd's cross-departmental CSR procurement team has sought advice from external experts on current CSR procurement systems. This has led us to restructure our production partner evaluation process in order to create a more effective system. For example, we are conducting a thorough re-examination of our Business Status Survey, including a revision of the questions it asks, to ensure that we gather detailed information on our production partners' CSR initiatives.

#### CSR Procurement Process



#### CSR Procurement Guidelines (excerpts)

- Promoting Respect for and Compliance with Human Rights**
- Ensuring Occupational Health and Safety**
- Practicing Corporate Ethics and Fair Trade**
- Maintaining the Global Environment**
- Product Safety Guarantees and Quality Assurance**
- Complete Information Management**
- Establishing Crisis Management Systems**
- Contributing to the Community**

#### Efforts in Each Country

##### Employee Comment

**Jason Eller**  
Operation Planning & Analysis  
Nintendo of America Inc.



##### Visiting Production Partners

In June 2015, I visited our major production partners together with my counterparts from Nintendo Co., Ltd. Since my primary goal is to reinforce Corporate Social Responsibility issues and initiatives critical to Nintendo of America's region, it was important for me to see firsthand the culture, employee expectations, and business practices of our vendors.

We met directly with management, including HR and CSR representatives from each vendor, and toured their warehouses, production operations, cafeterias, social areas, and dormitories. I was thankful to gain a better understanding of the policies each vendor had in place to track and support employee health and wellness, room and board conditions, wages, and benefits. I also understood their monitoring systems that manage the number of employee work hours, and programs for professional development if an employee exceeded in their position.

For example, one vendor in particular has established a career program for all employees, regardless of their gender or position. If employees are meeting expectations in their current role, they can train in different areas of the company while increasing their responsibilities, salary, and benefits packages.

However, we did identify a number of opportunities for each vendor to improve, and we communicated those directly to their management teams. For instance, we asked for even clearer documentation on employee benefits and career paths. We are also asking them to develop better, more explicit recycling and reuse processes.

I look forward to the continued partnership with our parent company in tracking the improvements made by each vendor, to ensure our products are being developed and manufactured in an ethical and professional manner.

### Addressing the Issue of Conflict Minerals

Conflict minerals (tin, tantalum, tungsten and gold) are mined in the Democratic Republic of the Congo or its adjoining countries, and become a source of finances for armed groups that are associated with human rights violations, environmental destruction and inhumane acts of violence. It is Nintendo's policy not to use conflict minerals related to armed group in our products, and we are working closely with our production partners to this end.

In fiscal year 2015, we not only conducted written surveys of our production partners, we also visited and held hearings with some of them on investigation methods and issues to be addressed. We will continue to tackle the issue of conflict minerals during the next fiscal year by following up with our suppliers regarding our surveys and hearings, while also considering future improvements in our investigation methods.

## A Diverse Work Force is the Source of our Competitiveness

Nintendo's competitiveness stems from the unique qualities and talents of our employees. We are creating an environment where each person can utilize their strengths and fully demonstrate their abilities, while sharing the common values that represent "Nintendo's DNA."



### Promoting Women's Careers

Nintendo's human resource policy is to promote employees on the basis of the abilities they have demonstrated, regardless of gender or other factors. On the other hand, we recognize that it is important for company to promote the role of women in the workplace for improving company's competitiveness, and in view of the general characteristics of the software industry, which is said to attract few women, we endeavor to foster an environment female employees can fully demonstrate their abilities. We are also working to develop systems which suited to the specific circumstances of each country we operate in to attract female employees. Please refer to the 2016 CSR Report for details on the measures that Nintendo Co., Ltd. has put in place to comply with the Act on Promotion of Women's Participation and Advancement in the Workplace.

### Review of Our Human Rights Policy

In fiscal year 2015, Nintendo Co., Ltd. revised its human rights policy to clearly articulate our attitude of non-discrimination against members of the Lesbian, Gay, Bisexual, and Transgender (LGBT) community. In addition, unlawful acts in violation of human rights, such as child labor or forced labor, are major global issues. We have existing established mechanisms to eradicate such acts from our business activities, but we have further clarified the company's stance by explicitly discussing them in our human rights policy.

#### The Human Rights Policy of Nintendo Co., Ltd.

1. We do not discriminate or incite discrimination on the basis of factors such as race, ethnicity, nationality, ideas, religion, beliefs, origin, social standing or status, profession, gender, age, disability, gender role or gender identity.
2. We do not discriminate or incite discrimination on the basis of factors mentioned above, not only in the company but also in our value chain.
3. We respect the rights of all people, and do not condone any forms of harassment or discrimination through our words or actions.
4. We respect the different cultures and practices of the countries in which we operate, and we do not act in any discriminatory or inappropriate manner in those contexts.
5. We comply with global laws, guidelines and standards related to human rights, and endeavor to eliminate any kinds of illegal labor, such as child labor or forced labor, from our business activities including supply chain.

#### Efforts in Each Country

### Holding Events to Understand Diversity

Nintendo Australia Pty. Limited



At Nintendo Australia, employees from many nationalities, including Australia, Japan, China, Spain, Portugal, India, Sri Lanka, Samoa and Bosnia, work together. We are thankful for the positive influence that this cultural diversity has on our work environment and the new and creative ideas it fosters. To create opportunities to correctly understand each other's cultural differences, we held a Diversity Food Event where people brought traditional dishes from their country of origin, and familiarized their countries to others while enjoying each other's local dishes.



## Establishing the Foundation for CSR Management

To strengthen Nintendo's promotion of CSR, we are working to deepen the understanding of CSR issues throughout the company. We believe that raising awareness with each employee will lead to a proactive pursuit of CSR activities.

### Strengthening Our System to Promote CSR

In November of 2014, Nintendo brought together the people in charge of CSR promotion in each region for a Global CSR Conference. Along with representatives from related departments, this group discussed regional and Global CSR issues and identified common goals.

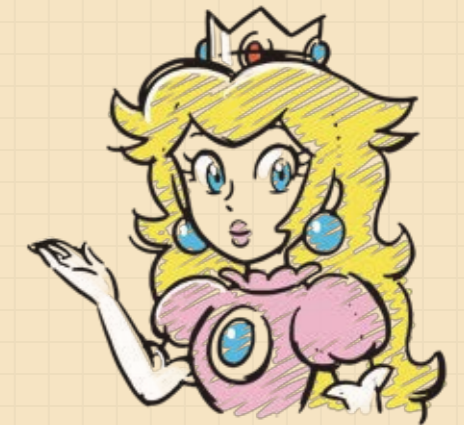
Through active exchanges among participants from various countries at this conference, we learned that in order to meet the demands of society, we needed to further strengthen our stance on promoting CSR. This led to a number of improvements in fiscal year 2015. For example, to assist the smaller companies in our group that had only one part-time CSR person, we established cross-departmental CSR teams. We also developed an internal and dedicated CSR information exchange site where people from different countries can freely exchange ideas, discuss issues and trending topics.

### Deepening Employee Understanding of CSR

It is crucial that employees understand the importance of CSR activities, since they are the ones who will put them into practice. Regional CSR leaders regularly exchange ideas and discuss the various projects taking place in each country. By sharing information on the unique efforts being used to tackle issues in each region, we can better assess risk and increase the awareness of our employees.

### Enhancing Communication

Within Nintendo, relevant departments at our regional offices act as points-of-contact for our stakeholders. This not only provides a channel of communicating ideas, but it also give us a way to receive feedback and deepen mutual understanding. In fiscal year 2015, we reviewed how and what we communicate in each region to determine any necessary improvements. For example, in Nintendo of Europe, we moved CSR-related information to a more prominent position on the website. We are also translating part of the CSR report into other languages, whereas in the past it was only available in English.



#### Efforts in Each Country

##### Employee Comment

**Antonio Lopez**  
Finance Department  
Nintendo Ibérica, S.A.U. (Spain)



##### A More Approachable CSR

In fiscal 2015, Nintendo Ibérica created a cross-departmental CSR promotion team that focuses on raising awareness of CSR among employees.

The promotion team is working on raising awareness of CSR among employees by creating CSR information pages on the intranet and setting up a dedicated email address via which employees can ask questions about CSR at any time.

We have also held multiple in-company CSR seminars and feel that CSR awareness is gradually spreading among the employees, as evidenced in CSR topics being discussed during break times. In the future, we would like to pursue activities that involve more of our employees.

##### Employee Comment

**Claire Sanders**  
Legal Department  
Nintendo of Europe GmbH, UK Branch



##### Promote CSR Through Everyone's Participation

Over the past year we have reinvigorated CSR in the Nintendo UK office. We've established a CSR committee, with representatives across all departments, tasked with developing the Nintendo UK CSR strategy. This strategy has included focusing on communication to employees in order to bring CSR to the forefront of everyone's minds and encourage the generation of CSR ideas and good practices.

We continue to support the Starlight Foundation and look forward to developing our relationship further over the next 12 months.