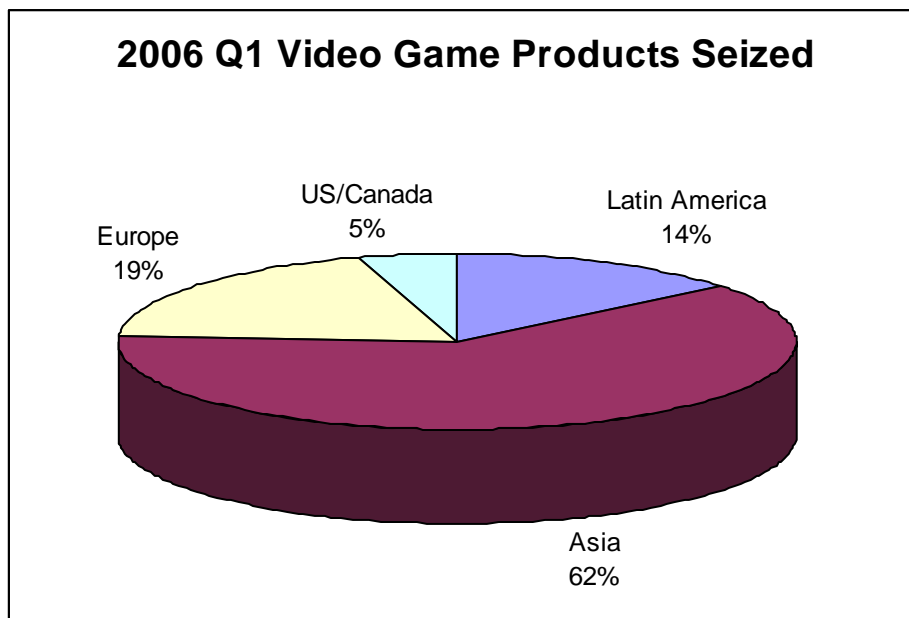


NINTENDO'S ANTI-PIRACY PROGRAM

HIGHLIGHTS: JANUARY – MARCH 2006

Anti-Piracy Statistics:

- From January through March, approximately 114,000 counterfeit *Nintendo* products were confiscated and over 95 seizure actions were conducted globally. In addition, approximately 20,450 auctions attempting to sell counterfeit *Nintendo* products were terminated.
- Nintendo supported 84 criminal actions and investigations in the following countries: Australia, Brazil, Bulgaria, Cyprus, the Czech Republic, Denmark, Germany, Hong Kong, the Netherlands, Paraguay, Poland, Portugal, Singapore, Spain, Sweden, Taiwan, Turkey, the U.K., and the U.S.



Significant Cases:

- Customs officials in Brazil seized over 3,800 counterfeit *Game Boy Advance* cartridges and infringing components from two separate individuals on January 13, 2006. In both cases the shipments came from Frankfurt, Germany, originally shipped from China. The fake products have been destroyed.
- On January 31st, customs officials at the Warsaw airport in Poland seized over 4,800 counterfeit *Game Boy Advance* components from a shipment arriving from China. The importer forfeited the goods for destruction and paid Nintendo monetary damages. Further investigations are underway in China.

Sentences:

- In February, two German men were ordered to pay stiff fines for selling counterfeit *Game Boy Advance* products over internet auctions. Munich police initiated a criminal investigation against the men in November 2004 for selling counterfeit *Nintendo* products over eBay. The police investigation revealed that the men purchased the products in a street market within the Czech Republic. Their profits from the illegal acts were estimated to be more than \$12,000 USD. The court ordered both men to pay significant fines and they also received suspended prison sentences.
- A Spanish court sentenced a man to six months in prison for selling counterfeit *Game Boy* cartridges and infringing hardware units with built-in *Nintendo* software. The products were seized during a February 2003 police raid. The man has also been ordered to pay monetary damages to Nintendo.

Counterfeit Trends:

- Over the past three months, Customs officials in Australia conducted 10 seizures in an attempt to stop the illegal importation of counterfeit *Nintendo* products into the country. This is a significant increase in actions conducted by Australian Customs, with only one seizure action conducted in 2005.
- Nintendo has continued its fight against piracy in China. During 2006, Nintendo seized nearly 68,000 counterfeit *Nintendo* products from production and distribution facilities over the course of eleven raids. The seized products included components and finished goods for *Game Boy Color*, *Game Boy Advance*, and the *Nintendo GameCube*. All of the products were removed for destruction.
- There has been a significant increase in the number of actions and counterfeit *Nintendo* products seized in Poland. In the first quarter of 2006, nearly 6,000 counterfeit products were seized in 9 police and customs actions. This is a significant increase over the 680 products seized in five actions in 2005. Most of the products were shipped from China.

Anti-Piracy Training / Detection of Counterfeit Products:

- During the first quarter of 2006, training to detect counterfeit *Nintendo* products was conducted in the following countries: Canada, the Netherlands, Paraguay, Spain, and the U.S.

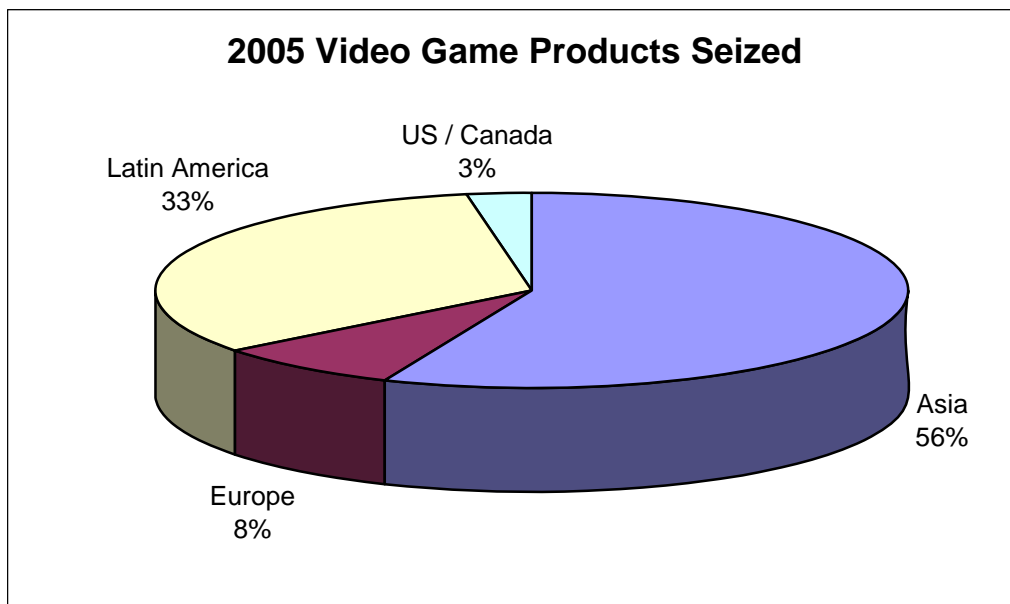
Government Lobbying Efforts:

- During the first quarter of 2006, Nintendo conducted meetings with government officials representing Mexico, Taiwan, Brazil, and the U.S.

- Each year, the United States Trade Representative requests comments from the public on countries that deny adequate and effective protection of intellectual property rights or deny fair and equitable market access. This process is known as the Special 301. Nintendo filed its comments on Brazil, China, Mexico, Paraguay, Taiwan and Thailand. To discuss its 301 submission, Nintendo representatives traveled to Washington D.C. in February to meet with government officials from the Bureau of Customs and Border Protection, the Department of Commerce, the FBI, the Mexican Embassy, the Patent and Trademark Office, the Department of State, and the U.S. Trade Representative's office. All agencies were engaged and agreed with Nintendo's recommendations for improvements. Nintendo is continuing to work closely with the U.S. Government as it plans to take an aggressive stand against China. In fact, Nintendo's statistical raid information will be evidence in the U.S. Government's discussions with China on its failure to prosecute intellectual property crimes.

2005 - Year End Review:

- In 2005, approximately 1,963,000 counterfeit *Nintendo* products were seized and approximately 485 seizure actions were conducted globally. In addition, nearly 149,000 auctions that were posted attempting to sell counterfeit products were terminated. Nintendo estimates that the manufacture, assembly, distribution, import, export and sale of counterfeit *Nintendo* products cost the company, its publishers and developers, approximately \$875 million in lost sales in 2005.
- Nintendo supported over 430 criminal actions and investigations in the following countries: Australia, Austria, Belgium, Brazil, Bulgaria, Canada, Chile, China, Cyprus, the Czech Republic, Finland, France, Germany, Hong Kong, Hungary, Israel, Italy, Korea, Lithuania, Mexico, the Netherlands, Paraguay, Poland, Portugal, Singapore, Spain, Sweden, Taiwan, Thailand, Turkey, the U.K., and the U.S.



Monthly Breakdown of International / Domestic Enforcement Actions:

- **January:** Seizures were conducted in Australia, Brazil, Bulgaria, China, Denmark, Germany, the Netherlands, Paraguay, Poland, Singapore, Spain, Sweden, Taiwan, the U.K., and the U.S. Approximately 39,005 products were confiscated. Over 1,570 illegal auctions were removed from the internet.
- **February:** Seizures were conducted in Australia, Brazil, China, the Czech Republic, Germany, Hong Kong, the Netherlands, Poland, Spain, Turkey, the U.K, and the U.S. Approximately 13,800 products were confiscated. Over 7,530 illegal auctions were removed from the internet.
- **March:** Seizures were conducted in Australia, Brazil, China, Cyprus, Germany, the Netherlands, Poland, Portugal, Spain, the U.K., and the U.S. Approximately 61,200 products were confiscated. Over 11,330 illegal auctions were removed from the internet.