

**Third-Quarter Consolidated Financial Results Conference Call
for the Fiscal Year ending March 31, 2021: Q&A Summary
(January 28, 2021)**

Q What has been the digital sales trend from October for the Consumer sub-segment?

A Digital sales have gradually risen from October through December. Looking at progress from January, we are on track to achieve our full-year plan.

Q What are your current estimates regarding the sales plan for *Monster Hunter Rise*?

A Orders have been going well, however we will continue to monitor progress up through its release while maintaining a realistic outlook.

Q What impact will there be on Capcom if customers shift over from dedicated game consoles to PC?

A We would not expect a large impact to our business, as there is not a significant difference in profitability between console and PC for us in the course of operating our business.

Q Are you thinking of strategically controlling the average unit price by raising the price of new titles in the Consumer sub-segment?

A We set prices for both new and catalog titles while accounting for market conditions including customer price sensitivity, in order to extend the per-title lifetime of our products; as such, average unit prices are not give especial consideration when determining price.

Q Tell me how the Consumer sub-segment performed over the holiday season. Did H1 COVID tailwinds erode holiday revenue?

A As Q3 business results for this sub-segment were up year-over-year, we have made steady progress during the period. While we think we may have somewhat benefited from so-called COVID tailwinds, we do not believe this was a major upside factor in our H1 business results.

Q Tell me the details of the revaluation of titles carried out during Q3 of FY2020.

A This was a reassessment of the value of titles whose development progress differed from expectations and was carried out in the Digital Contents business.

Q Tell me the reasons for digital license revenue beating your forecast and if we can expect this revenue to continue going forward.

A We feel that the demand for content from first-party platform holders is increasing lately, as evidenced by our current digital license revenue beating our initial forecast. While we believe this trend should continue in the near term, as a content holder it will be necessary for us to consider our approach to issues such as balancing revenue from subscription services and traditional full-game sales over the long term.

Q What are your expectations for the Amusement Equipments business in the next fiscal year and onward?

A While the business has performed well following the release of three new models this fiscal year, we must continue to watch the market environment as there have been one-time issues such as the extension of deadlines for the removal of game machines manufactured before recent rules revisions from halls. We will continue to work on challenges such as cost improvement and expanding our sales channels.

Q What are your expectations for the regional sales breakdown for *Monster Hunter Rise*?

A Our current impression is that initial demand has been strong in the Japanese market. We expect to see growth in the European and North American markets over the medium term. Also, we are paying attention to the differences in purchasing trends between this and *Monster Hunter: World* in order to facilitate building out future strategies for the series.

Q When will you book revenue for *Monster Hunter Rise*?

A Development costs will be handled as usual, with an amount commensurate to actual sales booked in the March 31, 2021 fiscal year based on the lifetime sales plan for the title. We plan to book revenue in accordance with each country's accounting standards, taking into account elements such as shipment delivery and release date timing.

Q Why is quarterly profit margin lower for Q3 than Q2 in the Digital Contents business?

A The profit margin declined due to factors such as the holiday season in Q3, during which we promoted discounts for our back catalog of more than 200 titles.

Q When will you book promotional expenses for *Monster Hunter Rise*?

A We anticipate booking a large portion of these expenses in the March 31, 2021 fiscal year.

Q Is it reasonable to benchmark sales expectations for *Monster Hunter Rise* to data for past

handheld titles in the series?

A While the market environment has changed since then, as has the digital ratio of sales, such data could be utilized as a general reference.

Q What are your expectations for the digital sales ratio of *Monster Hunter Rise*?

A While we are unable to share a specific figure, it should not be significantly different from the recent trend seen with new releases.

Q Can we expect that results in Q1 for the March 31, 2022 fiscal year will increase year-over-year, given anticipated catalog sales of *Monster Hunter Rise* and the upcoming release of *Resident Evil Village*?

A We are currently in the process of formulating our plan for the next fiscal year and are unable to share anything at this time.

Q Has the data security incident affected title releases?

A There has been no significant impact at this point, and development work has largely returned to normal.

Q While expected unit sales have been increased by 1 million units from the initial plan in the Consumer sub-segment sales plan, the number of new titles has been decreased. Why is this?

A We revised our unit sales plan following an examination of the current sales situation.