

Summary of Q&A at the Conference Call
Third-Quarter Consolidated Financial Results of the
Year ending March 31, 2013
(February 4, 2013)

- Q. In the Digital Contents business, why is operating income expected to be about 400 million yen in the fourth quarter?
- A. There are two major causes. First is a decline in earnings in the Home Hideo Games business resulting from the postponement of the launch of “Monster Hunter 4,” which was originally scheduled for the fourth quarter. Second is a decline in profitability resulting from the revision of the “DmC Devil May Cry” sales plan to 1.2 million units.
- Q. What is your sales volume plan for “Monster Hunter 4,” which is to be introduced in the next fiscal year?
- A. We cannot provide you with a specific number at this time. However, we are determined to maximize sales volume based on market conditions, the quality of this title, the number of game consoles in use, and many other factors.
- Q. What is your view of the Wii U, including with regard to “Monster Hunter 3 (Tri) G HD Ver.”?
- A. Sales of “Monster Hunter 3 (Tri) G HD Ver.” are strong as planned. We have nothing to say regarding trends involving hardware.
- Q. What is your outlook for operating income in the next fiscal year?
- A. We are working on our plan for the next fiscal year and cannot make any statement about the plan at this time.
- Q. In the Digital Contents business, was the Home Video Games business profitable in the nine months results on a stand-alone basis?
- A. This business was profitable and contributed to earnings.
- Q. What is the breakdown for sales in Japan and overseas in the Mobile Contents business in this nine months and the previous nine months?
- A. In approximate figures, sales were 40% overseas and 60% Japan in this fiscal year and 60% overseas and 40% Japan in the previous fiscal year.

- Q. What is your current view of the social game market?
- A. We believe that the social game market in Japan is stagnant right now. Although there are a few popular titles, it appears that card battle and other current games have little more room to grow. At Capcom as well, social game sales were down from the previous quarter, although Mobile Contents business earnings surpassed our plan. Overseas, all social game companies are apparently having difficulty capturing game users in segments other than entry users. The social game market requires quick actions due to the fast pace of change. Capcom will continue to closely monitor these changes and adapt in growth of the market.
- Q. Please provide information about repeat sales of the “Resident Evil 5” pachislo machine and Capcom’s production capacity in the P&S business.
- A. Sales of the “Resident Evil 5” machine were about 35,000 units as of the end of December 2012. We are continuing sales activities for this machine but we cannot provide any specific numbers at this time. We began working on improving manufacturing for these machines in 2012 and have raised monthly output by about 70%.
- Q. In the P&S business, will you launch a machine in the next fiscal year that can generate sales on a par with “Resident Evil 5”?
- A. We appreciate the strong response that “Resident Evil 5” generated among users. We believe that the success of this machine was due to the quality of this title and market conditions that were favorable for a number of reasons. But we will not let this accomplishment make us over-confident. In the next fiscal year, we will work in raising sales volume for each model and establishing a framework capable of introducing a number of new models.
- Q. Why was “Resident Evil 6” below the target?
- A. We are currently analyzing the causes, which involve our internal development operations and sales operations. We have not yet reached a clear conclusion. We believe that global sales of 5 million units are proof that this is a popular title. However, we believe that the new challenges we tackled at the development stage were unable to sufficiently appeal to users. In addition, we believe there was inadequate organizational collaboration across our entire company with regard to marketing, promotions, the creation of plans and other activities. We will have to examine these results from several perspectives. We will reexamine our internal operating frameworks in order to identify areas that need to be improved concerning development as well as sales and administrative operations.
- Q. When you reexamine your development and sales operations, is there a possibility of losses resulting from the suspension of development activities or a valuation loss?
- A. We foresee no such losses at this time.

- Q. The fourth quarter accounts for a comparatively high share of your planned sales in the Mobile Contents business. How confident are you about reaching your sales target?
- A. Based on sales in this nine months relative to our fiscal year plan, we are aware that our fourth quarter sales plan is ambitious. However, we have no intention of revising our plan at this time. We will do everything possible to reach our target, including the introduction of new titles in Japan and overseas.
- Q. In the Mobile Contents business, why were third quarter sales lower than second quarter sales?
- A. The reason is somewhat slower growth in sales of some titles that had been driving sales growth in this business.
- Q. Please provide information about the increase in work-in-progress for game software based on specific titles.
- A. The increase is primarily the result of measures to strengthen the lineup of titles under development in the Home Video Games business. We are unable to provide information about specific titles.