

**Summary of Q&A at the Briefing of Financial Results
of the Year ended March 31, 2013
(May 9, 2013)**

Q Please explain the reasons for your decision to recognize business restructuring expenses in the fiscal year ended March 2013. Could you also let us know whether the possibility exists that you may regularly recognize similar special losses in the future?

A We do not acknowledge the special losses booked in the previous fiscal year as being regular or periodic in nature. One of the causes was that, since 2009, we actively pursued a policy of using development companies in other countries which created additional challenges when compared to in-house development, and led to some titles not attaining the anticipated quality standard. Consequently, we chose to cancel some of the titles under development with external companies as well as additional titles that did not meet market demands of the digital contents distribution. As a result, we booked business restructuring expenses to reduce future special losses and the transition to in-house production.

Q What are your plans and forecasts for the Chinese version of “Monster Hunter Online”?

A We expect to commence β -testing in 2013 in association with Tencent Holdings Limited. However, just as for ordinary PC online games, we anticipate that the contribution to revenues will be insignificant in the first year of this new development.

Q Can you explain how the newly developed “Panta Rhei” engine differs from the “MT Framework”?

A “Panta Rhei” is the most recently developed engine for new generation consoles like the PlayStation 4, whereas “MT Framework” is an engine developed for existing consoles like the PlayStation 3, Xbox 360 and for mobile consoles including iOS. We shall continue to conduct independent research on the basis of the technology and knowhow gained from developing the “MT Framework”.

Q Could you give us some idea of the consequences you anticipate that the process of bringing development in-house may have in terms of issues like increasing development costs or causing management difficulties and the countermeasures you are considering to deal with such issues?

A Bringing development in-house will not increase development costs. We believe that, by being able to achieve clarity in scheduling and in budgetary control, and by aggressive hiring of new graduates and the effective deployment of the existing human resources within the company, we will be able to maintain roughly the same level of cost performance. Furthermore, we aim to enhance the cost efficiency, not just in development, but for the company as a whole, by making progress with a comprehensive process of operational improvement and restructuring by reinforcing our overseas sales and marketing structure to complement this improvement in the efficiency of the development structure.

Q What are your plans for the new “Gaist Crusher” title?

A Please accept that we are unable to disclose plans for individual titles. This title is not marketed solely as a home-use game, but has been developed as a comprehensive new project incorporating aspects such as anime and character goods and so we aim to create a new brand around it.

- Q Please indicate us about the current state of development for titles for next generation consoles and whether the development costs will be higher than those for existing ones.
- A As far as titles for next generation consoles are concerned, we shall be introducing the most suitable and appropriate titles for them on the basis of careful consideration of factors like hardware penetration rates and market conditions. Moreover we think that, by exploiting the potential of our own in-house developed engine and improving the efficiency of our development structure, we shall not have to significantly increase our development costs from the currently prevailing level for existing consoles.
- Q Why is the growth rate in your plan for mobile contents sales in the fiscal year ending March 2014 slower than in the preceding fiscal year?
- A The main reasons are the fact that the market has stalled somewhat as a result of the diversification of devices and waning popularity for certain genres of games, and a slowdown in the pace of hit products being launched in the fiscal year ended March 2013. That said, we are concentrating our efforts on business areas with sustained growth through the introduction of newly created social games and the promotion of diversification in platform games in the current fiscal year ending March 2014.
- Q What are the exchange rate sensitivities included in your operating income and ordinary income forecasts?
- A For operating income, we anticipate that a 1 yen movement against the dollar and the euro will have an impact of 70 million yen in total. Please appreciate that we are unable to disclose exchange rate sensitivities for ordinary income.
- Q Please tell us about the major titles in your package line up for the fiscal year ending March 2014.
- A We plan to introduce three major titles for which we expect to sell more than 1 million units: “Monster Hunter 4”, “Resident Evil Revelations Unveiled Edition” and “Lost Planet 3”. We also plan to launch some new titles like “Gaist Crusher”, as well as sequels to popular domestic games series like “Phoenix Wright 5” and “Sengoku BASARA4”.
- Q Can you tell us about the sort of growth potential you envisage for operating earnings in your Revised Mid-Term Goals?
- A We are forecasting operating income of 12 billion yen for the fiscal year ending March 2014. But we estimate, on the basis of projected growth for the next five years resulting from our projections for the balance between the lifetimes of existing consoles and the dissemination of next generation consoles in the package software market and growth in sales of online content, that operating income may well achieve the 20 billion yen mark in the fiscal year ending 2018. We are striving to establish a new structure for the whole company so that we can ensure that we achieve our Revised Mid-Term Goals.