

**Summary of Q&A at the Briefing of Financial Results
of the Year ended March 31, 2015
(May 8, 2015)**

Q. Based on results of operations and your plan for FY2015, it looks like reaching the medium-term plan goal for the Digital Contents business will be difficult. What will you have to do to accomplish this goal?

A. We can divide the market into two categories that cover all platforms: core games and casual games. In the consumer and PC online sectors, the core games market still accounts for more than half of sales and we believe that growth will continue. Furthermore, we believe that the success of titles for these core users will be critical to the growth of our Digital Contents business. This is why we will continue to develop titles in our major game series with the goal of a core user game market share of at least 5%. For casual users in the mobile game sector, we will use casual games that use our intellectual property in order to entice casual users to start enjoying our core games.

Q. What is your stance regarding alliances with other companies?

A. We have several alliances, including an alliance with Tencent Holdings Limited (Tencent) in China for "Monster Hunter Online". In Japan, we have no plans for alliances that would involve outsourcing the entire development process in order to achieve growth. Right now, our basic policy is to develop titles internally. But in other countries, and especially in Asia, we are forming alliances with local companies for game distribution and operations in order to attract a broader range of users with operations that reflect the characteristics of each region.

Q. Does your FY2015 plan include earnings from alliance partner titles in China?

A. No, it does not include these earnings.

Q. Are you making progress with measures to reduce the time needed to develop titles in major series?

A. During the past few years, we have reorganized our development operations and enacted significant structural reforms. We have completed a framework that can use several lines for the production of a single series and have started using this system. We believe that one of the benefits of this framework will be a shorter development period, which is something we have yet been able to achieve. For titles that we are working on now, we expect that major benefits will start to appear from the fiscal year ending in March 2017.

Q. I have the impression that there is a delay in the distribution of "Monster Hunter Online", which was developed with alliance partner Tencent. What is the cause?

A. Development of this title is on schedule. However, there are a number of popular titles that are likely to compete with "Monster Hunter Online". We believe that Tencent, which has considerable experience with operations and marketing in China, is very carefully considering the proper timing for the launch of this title.

Q. Please provide information about the performance of Beeline, your other brand for Mobile Contents.

A. Beeline is still one of the key components of our operations. Our strategic objective for Mobile Contents is to use smartphone games to build relationships with casual users, ultimately making them buyers of our core games, a category where we are very competitive. The most important goal for Beeline is to create global hit titles by distributing "light content" targeting female casual users, the customer segment that has the least experience with playing games.

Q. If performance of the PC online and Mobile Contents categories falls short of your plan for this fiscal year, could other categories offset this shortfall?

A. Profitability is now stable in the PC online and Mobile Contents categories because of the extraordinary loss we recorded in FY2013 and the actions we took to strengthen these operations in FY2014. As a result, we are confident that performance will be in line with the fiscal year plan. Furthermore, even if sales of a particular title are below our plan, we believe that the lower earnings can be offset because we have eliminated unnecessary expenses to establish lean operating frameworks in the other segments that are consistently profitable.

Q. Please explain your policy for dividend to shareholders.

A. Distributing earnings to shareholders is one of our highest priorities. Our basic policy is to pay a stable dividend while making the investments required for growth. There is no change in this policy and we expect a dividend payout ratio of about 30% for this fiscal year.

Q. Capcom is using downloads to sell remastered and other versions of catalogue titles. What is the relationship between package and digital download sales? Isn't there a risk of competition between these two channels?

A. HD remasters of our catalogue hit titles will be one of our key business activities. Overseas, it is becoming difficult to sell these lower-priced and re-mastered titles at stores because of the declining number of stores and sales area limitations. Therefore, we started aggressive digital download sales activities. These activities created new demand for these titles. For example, overseas download sales of "Resident Evil" (HD Remastered) in the past fiscal year were far higher than we expected. It is not a risk but rather the growth of the download sales channel gives users more options. We regard this as growth in opportunities to have allow access for more people to enjoy our games.

Q. What are Capcom's major problems now and what are you doing about them?

A. One significant issue involves the growth of our game development workforce. We need to recruit these people and manage them efficiently after they join Capcom. Creating core games for today's generation of platforms requires larger development teams. That means we need to build a sound framework to support development operations. We are establishing a development management system that is capable of consistently creating core series titles. To recruit developers, we have extensive activities to hire new graduates. We also have a system for transferring know-how gained from our operations to new developers so they can quickly improve their skills. By using this cycle, we believe that we can maintain a high workforce utilization rate even after hiring more developers as we expand and upgrade our development lines.

Q. What are the risks associated with the rapid growth in your development team?

A. One risk is the growth in fixed costs as the number of developer increases. But we believe we can hold down these costs by using our 52-week map for managing the utilization rate of these developers. In addition, we do not foresee significant additional costs resulting from stepping up recruiting activities. Therefore, we believe that additional expenses from growth in the number of developers will be minimal.

Q. Will you submit a proposal for a takeover defense program at this year's shareholders meeting?

A. We have talked with many shareholders and other investors about this subject based on the events of last year. We are currently considering the submission of a proposal by Capcom at the shareholders meeting and have not yet reached a decision.