

**Financial Results Briefing for the
Fiscal Year ended March 31, 2016: Q&A Summary
(May 10, 2016)**

Q. What is your take on the future of the home video game market?

A. Our perception of the home video game market is that it will continue to be active at the global level, as we believe the install base of major home video game consoles will break the 100 million unit mark in 2020.

Q. What measures are you taking to increase the ARPPU of "Monster Hunter Explore"?

A. We are currently considering a number of revitalization measures and new monetization models internally. We are unable to discuss these at the moment, but plan to introduce them in the near future.

Q. With regard to offsetting any profit shortfalls in the medium-term goals for Arcade Operations and Other Businesses via business expansion in Asia, does this Asian expansion consist primarily of Tencent Holdings Limited's "Monster Hunter Online"?

A. While we do expect growth from "Monster Hunter Online", we are also anticipating contributions from the Consumer business in the Asian region, whose current growth is driven primarily by digital downloads. To this end, going forward we are considering focusing on localization of consumer games for the emerging markets in the Asian region.

Q. What specific business models for eSports are you planning?

A. ESports is gaining a lot of attention as a new business opportunity, however we are still in the early stages of our initiatives here and at this point do not have something we can share. For the time being, we will aim to establish a place within the fighting game genre for eSports via actively utilizing "Street Fighter V".

Q. How are you handling VR devices?

A. It is wonderful to have the market stimulated by the release of new hardware. As a software provider, we endeavor to develop games that provide enjoyment tailored to the unique aspects of each hardware platform, and are internally progressing with our research of this technology.

Q. Do you anticipate continuous sales into the next fiscal year for the planned 4 million unit title scheduled for this fiscal year?

A. While it is difficult to make a statement with specific figures, we are transitioning from a limited run business model to a continuous business model, and therefore do anticipate long-term earnings contributions.

Q. What is your stance with regard to shareholder returns?

A. We believe that returning profits to our shareholders is one of management's more crucial tasks, and our basic policy dictates that we provide a stable dividend while at the same time focusing investment on the future growth of the business. Further, we see a payout ratio of 30% as ideal. We are forecasting a payout ratio of 25% in our plan for this fiscal year; however we are considering adjusting this in accordance with future earnings growth.

Q. What is your policy on the utilization of treasury stock?

A. Essentially, we anticipate the possibility of its use with M&A. We are currently considering a number of different matters here, however at this stage none that we can discuss in specifics.

Q. How has "Monster Hunter Online" (created in cooperation with Tencent Holdings Limited) performed, and what is your stance on the current market in China?

A. Following its official launch in December 2015, the title has overall performed to expectations. Further, Tencent has been proactive in offering ideas about growth and expansion for the title moving forward, and we feel a positive relationship is being built between us. There are few examples of hit titles that used Japanese IP in the Chinese market. As a first step, we would like to increase awareness of us in the Chinese market via cooperation with Tencent on "Monster Hunter Online"; also, we aim to roll out content other than the "Monster Hunter" brand in the future by utilizing the knowhow gained on this title.

Q. Can you provide details on revisions to the development roadmap in the Consumer business?

A. For games to be hits at the global level they must be high quality. To this end, as a result of judging it necessary to spend a little more time on the development and operation of titles that are not yet up to that standard, we have revised the development periods for a small number of titles. Rather than absolutely holding to sales periods or development deadlines, in the pursuit of quality that wholly satisfies our users we will carry out development that prioritizes completeness even if it requires some scheduling adjustments.

Q. What impact has organizational restructuring of development in the Consumer business had?

A. Compared to before the restructuring, we have made profitability improvements via administration of the roadmap and increasing the ratio of internally developed titles. However, at the same time we have increased our development workforce, thus we must pay greater attention to management of development. We also possess a vast library of content in which there remains multiple IP that have not yet been utilized to their full potential—these issues we will handle moving forward. Moreover, we will endeavor for further profitability improvements and unit sales growth by releasing all titles finished to a high level of quality.

Q. What is the reason for the organizational change in Mobile Contents business?

A. We established the Mobile Business Division in April in order to concentrate both the differing marketing knowhow for each region and the specialized knowledge in mobile production that had been divided between Capcom and Beeline. This fiscal year we will launch multiple titles that utilize Capcom brands from our new organization, and establish footing in the growing mobile business where we had been falling behind.