

**Third-Quarter Consolidated Financial Results Conference Call  
for the Fiscal Year ending March 31, 2018: Q&A Summary  
(January 31, 2018)**

- Q. *Monster Hunter: World* (*MHW* below) has shipped 5 million units. Tell me how this title is performing against its target and about your methods for recognizing expenses.
- A. We have not disclosed our target unit sales for *MHW*, however it has already achieved our target for the current fiscal year. Looking at recent sales trends for our major titles, we had anticipated a slower pace of first-year sales compared to previous entries in the series; however, its initial performance has exceeded our expectations. As the development cost of each of our titles is distributed across the title's lifetime unit sales target, we will recognize a portion of *MHW*'s total cost of development proportionate to its Q4 sales.
- Q. Will the success of *MHW* offset the underperformance of certain Consumer titles and Pachislo (PS below) ?
- A. We are aware of the risk presented by certain titles not performing to their targets in Consumer as well as by PS, and believe it must be addressed. The market environment of PS in particular is uncertain, and while the likelihood of delaying the release of the new machine scheduled for Q4 is high, we are not at a point at which we are able to communicate our outlook for the full year; however, we will endeavor to achieve our plan for the year.
- Q. Tell me about your plans for *MHW* in the next fiscal year and beyond.
- A. As we are prioritizing our strategy to achieve the lifetime unit sales target for this title, we are not at a point at which we can discuss additional content. We plan to monitor and analyze the sell-through of the title moving forward.
- Q. What does the future advertising expense incurred in FY17 Q3 refer to?
- A. These were primarily overseas promotional expenses associated with *MHW*.
- Q. 60% of *MHW* unit sales came from overseas. How does this compare with your initial plan?
- A. This result does not drastically deviate from our expectations for the ratio of domestic to overseas unit sales in our initial plan.
- Q. Will the lifetime unit sales for *MHW* grow to the level of *Resident Evil*?
- A. Shipping 5 million units in the three days from its release was a strong start, however, we would like to more thoroughly ascertain the title's sell-through in Europe and in the Americas before examining the outlook for its unit sales.
- Q. The current-generation re-release of *Resident Evil: Revelations* sold 500 thousand units. Can you

give me a breakdown of this by sales region?

A. For physical unit sales, 100 thousand units were from Japan and 270 thousand units were from overseas. The remaining 130 thousand units were from global digital sales. Of the total 500 thousand units sold, approximately half were the Nintendo Switch version of the title.

Q. Colopl is currently involved in a lawsuit with Nintendo. Will this affect Capcom, given the cross-licensing deal the company has with Colopl?

A. This will not affect Capcom.

Q. The speed of *MHW* sales is different than what was expected. Have you analyzed the cause of this and its future impact?

A. We have not completed a detailed analysis at this point in time. However, a number of factors contributed to its success in satisfying existing fans of the series while also appealing to new players, especially overseas. In addition to bringing this instalment to home video game systems, these factors include new features such as seamless transitions between map areas, smooth on-the-fly actions, displayed damage points dealt to monsters and mid-quest drop-in functionality during online co-op. We will continue to evaluate other factors and their future impact going forward.