4. Others

(1) Changes in significant consolidated subsidiaries during the period: No

(2) Application of simplified methods in accounting principle for quarterly consolidated financial statements: Yes

(Note: Please refer to "2. Other information" on page 4 for more details.)

(3) Changes in accounting principles, accounting estimates and retrospective restatement for consolidated financial statements

① Changes resulting from amendment of the accounting standard: Yes

② Changes other than ①: No

③ Changes in accounting estimates: No

④ Retrospective restatement: No

(Note: Please refer to "2. Other information (3)Changes in accounting policies, accounting estimates and retrospective restatement for consolidated financial statements" on page 4 for more details.)

(4) Number of shares outstanding (Common stock):

① Number of shares outstanding (including treasury stock)

3rd quarter ended December 31, 2015:	67,723,244	Year ended March 31, 2015:	67,723,244

② Number of treasury stock

3rd quarter ended December 31, 2015:	11,495,124	Year ended March 31, 2015:	11,493,262

③ Average number of shares outstanding

9 months ended December 31, 2015:	56,229,256	9 months ended December 31, 2014:	56,232,314

(Explanation about the appropriate usage of business prospects and other special notes)

・The above-mentioned business forecasts were based on the information available as of the date of the release of this report.

・Future events may cause the actual results to be significantly different from the forecasts.

・Please refer to [Qualitative information regarding the consolidated business forecast] on page 4 for more details.

Attachment contents

1. Qualitative information regarding the consolidated business

(1) The progress of the consolidated business results including related qualitative information

In the game industry during the nine-month period ended December 31, 2015, while the mobile game population centering on smartphones continued to expand, the overall game population also expanded thanks to efforts to further cultivate the existing market by catering to diverse customer tastes and by attracting women, families and senior players through new customer development, and year-end holiday season sales were also strong.

In such an environment, the Company focused on improving the development process and revenue management in order to reduce development costs and shorten the development period. This was achieved by increasing the ratio of internally produced titles through a reduction in the volume of outsourced operations. Additionally, in an effort to develop diverse revenue sources, the Company pushed forward its Single Content Multiple Usage strategy by leveraging its premier contents such as “Monster Hunter” and “Street Fighter”.

Furthermore, the Company has been focusing on expanding its profitable, digital download sales in order to mitigate inventory risk and reduce distribution costs. Additionally, the strong initial sales of the featured title, “Monster Hunter X (Cross)” (for the Nintendo 3DS system), which was released in time for Christmas, contributed to the total unit sales and helped to increase sales overall.

Meanwhile, in the growing Chinese market, distribution of the PC online game “Monster Hunter Online” by Tencent Holdings Limited in cooperation with the Company, which began in December, was off to a good start, thus increasing the possibility of even greater business development going forward.

On the other hand, in the amusement market, the business environment failed to pick up and the results remained soft.

The resulting consolidated net sales for the nine-month period ended December 31, 2015 were 57,060 yen (up 19.3 % from the same term last year). Regarding profitability, operating income was 10,604 million yen (up 9.0% from the same term last year), ordinary income amounted to 10,640 million yen (up 5.2% from the same term last year), and net income attributable to owners of the parent amounted to 7,006 million yen (up 7.1% from the same term last year).

Status of each operational department

① Digital Contents business

In the Digital Contents business, the latest title in the featured series, “Monster Hunter X (Cross)” (for the Nintendo 3DS system), was a major hit due to its overwhelming popularity among users who had highly anticipated its release which contributed to significant sales of more than 3 million units, surpassing the initially-planned 2.5 million units. Additionally, while sales of “Sengoku BASARA 4 SUMERAGI” (for PlayStation 4 and PlayStation 3) were solid thanks to its well-established brand power, “DAIGYAKUTENSAIBAN” (for the Nintendo 3DS system) remained slow.

On the other hand, sales of repeat titles and digital download sales were firm, particularly in overseas markets.

Regarding online games, “Dragon's Dogma Online” (for PlayStation 4, PlayStation 3 and PC), an online open-world action game where players can freely experience a host of adventures, were strong, while mobile contents sales improved as downloads of “Monster Hunter Explore” (for Android and iOS) surpassed 3 million.

The resulting net sales were 36,080 million yen (up 11.3% from the same term last year), and operating income was 9,706 million yen (up 14.6% from the same term last year).

② Arcade Operations business

In the Arcade Operations business, with the market continuing to be weak, the Company strived to expand its customer base by attracting customers including women and families through such measures as holding various events and service days for the middle-aged and seniors by offering “free game experience tours” and the setting up of additional “Asobi Oukoku peekaboo” sites and “Kids' Corner” sections targeting younger children.

Nonetheless, the segment results were soft, partly because of the lack of a high-performance product as well as sluggish demand due to the dispersion of entertainment, resulting from the overlapping of arcade game players with smartphone users.

During the period under review, “Amuse Factory Tokoname” (Aichi Prefecture) and the unique “Capcom Cafe” (Saitama Prefecture) were opened, while one arcade was closed, bringing the total number of arcades to 34.

The resulting net sales were 6,578 million yen (down 5.4% from the same term last year), and operating income was 459 million yen (down 39.8% from the same term last year).

③ Amusement Equipments business

In the Pachinko & Pachislo sub-segment, unit sales of “Resident Evil 6” strongly increased with the support of loyal fans, which has backed the improvement in revenue as it contributed to the increase in sales. However, sales of “Asura's Wrath” remained weak.

Meanwhile, in the Arcade Games Sales sub-segment, sales of “Luigi Mansion Arcade” were weak reflecting the sluggish market, while “crossbeats REV.” for arcades also struggled.

The resulting net sales were 13,091 million yen (up 87.0% from the same term last year), and operating income was 2,895 million yen (up 3.8% from the same term last year).

④ Other Businesses

The net sales from Other Businesses, mainly consisting of publication of game guidebooks and sale of related goods, were 1,310 million yen (down 10.7% from the same term last year), and operating income was 354 million yen (down 22.7% from the same term last year).

(2) Explanation of the consolidated financial position

Total assets as of the end of the third quarter increased by 10,656 million yen from the end of the previous fiscal year to 111,429 million yen. Primary increases were followings: 6,900 million yen in work-in-progress for game software and 5,379 million yen in notes and accounts receivable.

Total liabilities as of the end of the third quarter increased by 5,888 million yen from the end of the previous fiscal year to 35,330 million yen. Primary increases were followings: 2,066 million yen in long-term borrowings, 1,887 million yen in accrued income taxes and 1,781 million yen in short-term borrowings.

Net assets as of the end of the third quarter increased by 4,767 million yen from the end of the previous fiscal year to 76,098 million yen. Primary increase was 7,006 million yen in net income attributable to owners of the parent. Primary decrease was 2,249 million yen in cash dividends.

(3) Qualitative information regarding the consolidated business forecasts

The forecast for the consolidated business results current fiscal year ending March 31, 2016 remains the same as what was projected at the financial results announcement on May 7, 2015.

2. Other information

(1) Transfer of major subsidiaries

There were no applicable subsidiary transfers.

(2) Use of special accounting methods for the quarterly consolidated financial statements

(Calculation of tax expense)

Tax expense for consolidated subsidiaries is calculated by determining a reasonable estimate of the effective tax rate after the application of tax-effect accounting for income before income taxes in the fiscal year, including the third quarter, and multiplying income before income taxes by this estimated effective tax rate.

(3)Changes in accounting policies, accounting estimates and retrospective restatement for consolidated financial statements

(Change in accounting policies)

(Application of the Accounting Standard for Business Combinations, etc.)

The Company has applied the “Accounting Standard for Business Combinations” (ASBJ Statement No. 21, September 13, 2013; hereinafter the “Accounting Standard for Business Combinations”), “Accounting Standard for Consolidated Financial Statements” (ASBJ Statement No. 22, September 13, 2013; hereinafter the “Accounting Standard for Consolidated Financial Statements”), and “Accounting Standard for Business Divestitures” (ASBJ Statement No. 7, September 13, 2013; hereinafter the “Accounting Standard for Business Divestitures”), etc. effective from the first quarter under review. As a result, the method of recording the amount of difference caused by changes in the Company’s ownership interests in subsidiaries in the case of subsidiaries under ongoing control of the Company was changed to one in which it is recorded as capital surplus, and the method of recording acquisition-related costs was changed to one in which they are recognized as expenses for the fiscal year in which they are incurred. Furthermore, for business combinations carried out on or after the first day of the first quarter under review, the accounting method was changed to one in which the reviewed acquisition cost allocation resulting from the finalization of the tentative accounting treatment is reflected in the quarterly consolidated financial statements for the quarterly period in which the business combination occurs. In addition, a change in the presentation of quarterly net income, etc. and a change in the presentation of the minority interests to non-controlling interests were adopted. In order to reflect these changes in presentation, the quarterly consolidated financial statements for the third quarter of the previous fiscal year and the consolidated financial statements for the previous fiscal year were reclassified.

The application of the Accounting Standard for Business Combinations, etc. is subject to the transitional treatment provided for in Paragraph 58-2(4) of the Accounting Standard for Business Combinations, Paragraph 44-5(4) of the Accounting Standard for Consolidated Financial Statements, and Paragraph 57-4(4) of the Accounting Standard for Business Divestitures. Accordingly, these standards have been applied prospectively from the first day of the first quarter under review.

This change in accounting policies has no impact on the Company's consolidated financial statements for the third quarter under review.