

## The 38th Ordinary General Meeting of Shareholders: Q&A Summary (June 9, 2017)

Q: Tell me about future expansion into mobile.

A: Currently, we have yet to produce results comparable to our competitors in the industry with regards to free-to-play social games. Going forward, we will focus efforts on new business expansion, integrating our marketing, development and operations divisions.

Q: What effect did last year's revision to the Entertainment and Amusement Trades Rationalizing Act have on the Arcade Operations business?

A: The effect on this business has been positive, as the revisions in June of last year relaxed restrictions on minors entering facilities.

Q: Tell me about the current situation for *Legend Baseball*.

A: We acquired the rights to sell this title domestically from another company. We are working towards launch, and are currently carrying out location tests for the title.

Q: What is your evaluation of the Nintendo Switch?

A: We are aware that the Nintendo Switch has been very well received, and the week before last, we released *Ultra Street Fighter II: The Final Challengers* for this platform. Further, we have announced that we will release *Monster Hunter XX (Double Cross) Nintendo Switch Ver.* in August, which has garnered positive interest and high expectations from our users.

Q: Recently, ROE has tended to be regarded as an important stock price indicator. What are your ROE targets for the fiscal year ending March 31, 2018 as well as three years in the future?

A: We are forecasting ROE of 12.2% in our March 31, 2018 guidance. However, while we are aiming for operating income growth each year as our medium-term target, we have not set a specific ROE target for the fiscal year ending March 31, 2021.

Q: Are you going to release new titles from popular series such as *Onimusha* and *Devil May Cry*?

A: We are aware of the many needs of our users, and while there are limits to our development human resources, we are currently working to bolster our workforce. Once we have firmed up our development structure, we will approach the matter with a

positive outlook.

Q: Going forward, will you continue to pay a 50-yen dividend, which represents a 10-yen increase?

A: As our basic policy, we endeavor to provide a stable dividend with a consolidated payout ratio of 30%. However, we will raise the matter of the annual dividend amount at the Ordinary General Meeting of Shareholders, after giving due consideration to factors such as our business performance and the opinions of all of our shareholders.

Q: New genres of games for smartphones that utilize features such as GPS or link up with crane games have appeared on the market. How is Capcom approaching this?

A: Our priority issue with regards to smartphones is to create hit social games, and we are promoting strategies and measures to do so.

Q: In the previous fiscal year, you launched *Resident Evil 7* biohazard (*RE 7*, below), which featured PlayStation VR support; what are you now developing for VR and what are your plans for it going forward?

A: For VR content, we have launched both *RE 7*, a home console title that featured PlayStation VR support, and *Daikaijyu Capdon*, a title in our Arcade Operations business. At the moment, we are unable to share anything specific, however as part of our business strategy going forward we are continuing development in this area.

Q: Please consider a shareholder benefits program.

A: Thank you. We value your opinion and will consider it going forward.