

The 40th Ordinary General Meeting of Shareholders
Q&A Summary
(June 17, 2019)

Q.

- 1) Last year Capcom released the *Capcom Beat 'Em Up Bundle*. Did this title achieve its sales budget?
- 2) *Warriors of Fate* was included in this collection. Have you considered rereleasing the previous title, *Dynasty Wars*?
- 3) Is *Capcom Net Catcher Cap Tore* profitable? What is your outlook on this?

A.

- 1) While we have not disclosed the unit sales for this title, it has performed well.
- 2) Due to copyright-related issues, we currently have no plans to rerelease *Dynasty Wars*.
- 3) Service for *Capcom Net Catcher Cap Tore* began in November of last year, and it is currently performing well, with over 50 thousand registered users.

Q. In the past, Capcom offered shareholder incentives. I would like to request these be reinstated.

A. Our dividend is our highest priority in giving back to shareholders. In addition, we actively buyback shares with an eye toward improving our value per share. We hope that you understand that our basic policy for providing shareholder returns is first and foremost through our dividend.

Q.

- 1) Are you considering any measures for reducing plastic waste?
- 2) Tell me your thoughts regarding the impact of the U.S.-China trade war.

A.

- 1) Not only are we engaged in the reduction of plastic waste, but we are also conserving energy through measures such as switching all our lighting to LED lights. Further, with the spread of digital download sales, as opposed to the traditional physical sales of the past, we are working toward an overall reduction in our ecological footprint.
- 2) We do not expect any direct, significant impact. We will continue to monitor the situation and act appropriately.

Q. I first became a shareholder after an article in the evening edition of The Nikkei sparked my interest. In other industries, posting record profit usually causes the stock price to jump higher; is this a characteristic of the game industry?

A. Compared to five years ago, both revenue and our stock price have increased twofold. We believe that our stock represents a stable asset for our long-term shareholders. Last year, we performed

a 2-1 stock split, and the share price has returned to pre-split levels, meaning that its value has doubled. We ask that you look at us with a long-term view of investment.

Q.

- 1) What specific activities are you engaged in to bolster your development structure?
- 2) Osaka is both the planned site of Expo 2025 and is being considered as a site for Integrated Resorts. Please tell me of any related opportunities or ongoing activities.

A.

- 1) In response to exacting quality requirements and the larger scale of game development recently, over the past five years we have hired approximately 700 developers, augmenting our development structure by utilizing proprietary tools such as the RE Engine on multi-platform game creation, and building out an environment conducive to large-scale development.
- 2) We have absolutely no plans to be involved with Integrated Resorts, stemming from issues surrounding casinos, including gambling. Further, there is nothing we can share regarding Expo 2025 at this time.

Q.

- 1) My son is a fervent online game player but says that Capcom's graphics are unsophisticated. Please do something about this.
- 2) Regarding Arcade Operations, when my son was younger, arcade trading-card games were popular, generating long lines to play. I would really like to see a comeback for arcades as a family entertainment option. I want you to invent an explosive, hit arcade machine.
- 3) Have you provided any gifts for shareholders today? I want some original Capcom merchandise.

A.

- 1) Thank you, we deeply value your opinion. In recent years, with the shift to a digital world, we have become able to collect feedback from players in a manner of different ways. Further, prior to release we carry out repeated player testing, implementing feedback to the greatest possible degree. Going forward, we will continue to work to create games that spark enjoyment and garner praise, and as such request your continued support.
- 2) We are focused on creating content that resonates across the globe in our Digital Contents business, which represents our core strength. Currently, we see Arcade Operations as a touch point for our end-users and are working to build facilities where customers can enjoy the world of Capcom. In line with this, we are considering a number of events to attract various demographics to our stores, including demos of our new *Monster Hunter* title (*Monster Hunter World: Iceborne*) during this summer vacation, and speaking events

featuring our producers. During the course of this, if we find an idea that we can develop into a machine that players will enjoy, we will give it keen consideration.

- 3) This response is similar to what we conveyed regarding shareholder incentives, however we have decided that for the sake of fairness we do not provide gifts at this meeting. We will endeavor to provide returns to shareholders by growing the share price and paying dividends.