

**Outline of Q&A at the Conference Call
for the Third-Quarter of the Year ending March 31, 2011
(February 2, 2011)**

- Q. How did the performance of each business segment compare with your third quarter plans?
- A. Sales and operating income were higher than planned in all business segments except Amusement Equipments business.
- Q. What percentage of the Consumer Online Games business does the Online Games business represent?
- A. We are unable to provide a specific percentage, but we can say that the Online Games business is performing better than planned.
- Q. What were the cumulative sales of “Monster Hunter Freedom 3” as of the end of last December?
- A. Shipments in Japan and Asia totaled 4.1 million units.
- Q. What was your third quarter (three months) plan for sales of “Monster Hunter Freedom 3”?
- A. We have not disclosed our plan for third quarter sales. We can tell you that sales of this game were far above our initial plan.
- Q. What is your sales forecast for “Monster Hunter Freedom 3” for the fiscal year ending March 2011?
- A. Repeat sales of “Monster Hunter Freedom 3” are still strong. We are carefully examining market conditions, the outlook for orders and other factors to assess the sales volume for the fiscal year. We believe that cumulative sales can top 5 million units in the future.
- Q. Please explain your strategy from now on with regard to the “Monster Hunter” series.
- A. Our current base of game users is not the only reason for the popularity of this series. “Monster Hunter” is also generating sales by targeting casual game players with measures like spin-off titles and collaboration with other companies. We therefore believe that the popularity of “Monster Hunter” is due to our success at attracting people from a broader range of user segments. We will continue aggressively utilizing this approach to further increase the value of this brand.
- Q. What is the status of orders for “Marvel VS. Capcom 3 Fate of Two Worlds”?
- A. There is no change in our plan to sell 2 million units in the current fiscal year.
- Q. Why were sales up and earnings down in the mobile content business in the third quarter?
- A. The main reason was a decline in sales of content (excluding smart phone content and social games) to communications carriers and cell phone users. Furthermore, we started distributing SNS games overseas in the third quarter but do not expect a meaningful contribution to earnings to begin until at least the fourth quarter.

- Q. How many “Monhan Nikki Mobile Airu Mura” members are there and what are the revenues from this game?
- A. The number of members is not increasing as quickly as when we introduced this service. But there is no significant change in the billing ratio and earnings are in line with our plans. Please note that we do not disclose the number of active users or the billing ratio.
- Q. What is your policy for recognizing structural reform expenses?
- A. We have not yet determined how to handle these expenses because expense items differ for each initiative.
- Q. What were your advertising and marketing expenses, capital expenditures, depreciation and development investments in the first three quarters?
- A. Advertising and marketing expenses were about 5,000 million yen, capital expenditures and depreciation were both about 2,000 million yen and we invested about 18,000 million yen in development activities.
- Q. Deducting SG&A expenses for the first three quarters from your fiscal year plan shows that you plan on SG&A expenses of about 8,000 million yen in the fourth quarter. Will cost-cutting bring these expenses below your plan, producing a differential that contributes to earnings?
- A. We expect SG&A expenses in the fourth quarter to be about the same as in each of the previous three quarters.
- Q. What are your sales and earnings forecasts for the entire fiscal year?
- A. We are currently working on our outlook for sales of major new titles and repeat sales in the fourth quarter. We are also examining expenses associated with structural reforms. Therefore, we are unable to announce a forecast at this time because we can make a final decision only after completing this process. However, we believe that our performance will not fall below the current forecast.
- Q. Are you still committed to your long-term goals of sustaining 10% annual growth in sales and a 15% operating margin?
- A. There is no change in our policy of aiming for steady growth. However, there may be variations in our pace of growth in each fiscal year because of sudden shifts in market conditions and the status of progress with the structural reforms that are now under way.
- Q. When do you plan to hold your private game fest overseas?
- A. In North America, we plan to hold our “Capivate” private game fest on April 6 and 7, 2011.
- Q. What is your plan for sales of games for the Nintendo 3DS?
- A. Our plan for the current fiscal year includes sales of “Super Street Fighter IV 3D Edition”. We are unable to disclose our sales plans for individual titles.
- Q. What are your plans with regard to the NGP that Sony recently unveiled?
- A. We cannot provide any specific information at this time. We will move quickly in response to this development in line with our “multi-platform” strategy.