

**Outline of Q&A at the Conference Call
for the First-Quarter of the Year ending March 31, 2012
(July 28, 2011)**

Q. How did your first quarter consolidated performance compare with your plans?

A. First quarter performance was strong and surpassed our internal plans.

Q. In the Mobile Contents business, how many developers do you have and how many development lines are there?

A. We have about 100 developers, about 60 in Japan and about 40 overseas. In this fiscal year, we plan to start distributing at least 10 Capcom brand titles and eight Beeline brand titles. This is the number of developers needed to fulfill our plans for new titles.

Q. When will you start distributing major new titles of the Beeline Brand?

A. We are making steady progress with the development of new titles to be introduced in the second half of this fiscal year and afterward. We will announce when distribution will start at the proper time with respect to our sales strategy.

Q. What was the sales composition of the Mobile Contents business in the first quarter?

A. SNS and smartphones together accounted for about 70% of sales and content for feature phones for about 30%.

Q. Is there a possibility of a revision in your fiscal year plan for the Mobile Contents business?

A. The first quarter performance of this business exceeded our forecast. But we do not plan to change our fiscal year plan at this time because we will have to monitor the performance of titles introduced in the remaining quarters.

Q. How is the Japanese version of “The Smurfs’ Village” performing?

A. Performance is generally in line with our expectations. The number of downloads is increasing, too.

Q. The premiere of the “The Smurfs” movie is scheduled for July. Is this premiere giving any effect at this time on downloads of “The Smurfs’ Village”?

A. There is currently no significant effect.

- Q. Although the number of social game downloads is increasing steadily, it appears that the first quarter growth rate was lower than in the past fiscal year's fourth quarter. Why is growth slowing?
- A. Mobile Contents sales decreased from last fiscal year's fourth quarter to this year's first quarter mainly because the fourth quarter included the receipt of a one-time royalty payment. Although we do not disclose fee revenue and other items, we do not believe that the rate of growth is slowing.
- Q. For iPhone titles, there is a large gap between when users are billed and the revenues are recognized as sales. Does this have an effect on earnings?
- A. There is no effect in particular at this time.
- Q. What areas are you focusing on in the Mobile Contents business?
- A. We are working hard on Beeline-brand social games for overseas markets. Another priority is creating many Capcom-brand social games that originate from packaged software. For example, we started "Sengoku BASARA Mobile" and "Resident Evil: Outbreak Survive" services in the first quarter.
- Q. You have announced a number of new titles, including "Monster Hunter Freedom 3 HD Ver." Will there be any changes in your fiscal year sales plan?
- A. There are no changes at this time. We introduce new titles whenever we believe the timing is right.
- Q. What is your plan for sales volume of "Monster Hunter Freedom 3 HD Ver."?
- A. We have not announced a volume of sales plan for this title.
- Q. Do you plan to create HD versions of titles for the PlayStation Portable (PSP)?
- A. The first HD version will be "Monster Hunter Freedom 3 HD Ver." We will retain a flexible stance concerning our plans for additional HD titles.
- Q. Why did you decide to terminate development of "Mega Man Legend 3"?
- A. While we regret the decision to terminate development of "Mega Man Legend 3", we concluded that it would be the right step after an overall consideration of various factors.
- Q. What are your game development plans for next generation game hardware?
- A. There is no change in our basic policy. In accordance with our multi-platform strategy, we will continue to develop games to provide enjoyment that takes advantage of the capabilities of game hardware.