

**Outline of Q&A at the Conference Call
for the Third-Quarter of the Year ending March 31, 2012
(February 2, 2012)**

- Q. What were sales of “Monster Hunter 3(Tri) G” as of the end of December and please provide information about repeat sales.
- A. Sales totaled 1.2 million units at the end of December 2011 and increased to about 1.3 million units at the end January 2012.
- Q. Why were sales higher but earnings down in the Amusement Equipments business?
- A. Earnings fell because we launched highly profitable new titles in the previous fiscal year.
- Q. What impact will the delay in the launch of “Dragon’s Dogma” have on your performance?
- A. We expected sales of about 5 billion yen from this title. However, there is no revision to our fiscal year forecast because of the strong performances of “Monster Hunter 3(Tri) G” and the Mobile Contents business.
- Q. How is Beeline performing thus far relative to your fiscal year target and what is your outlook for this brand?
- A. Beeline is performing as planned. Regarding “Snoopy’s Street Fair”, we expect this title to start making a meaningful contributing to earnings in the fourth quarter following an update that reflects the preferences of users in Europe and North America.
- Q. How did foreign exchange rates affect third quarter performance?
- A. Third quarter non-operating expenses include a net foreign exchange loss of 911 million yen. A one yen movement in the U.S. dollar/yen and euro/yen exchange rates combined changes our sales by about 340 million yen and operating income by about 80 million yen.
- Q. Have you revised the exchange rates used as the basis for your fiscal year plan?
- A. We have made no changes since the beginning of the fiscal year.
- Q. How is the online business performing and what are your strategies for this business?
- A. We cannot supply any numbers but we can say that this business is generally performing as expected. In addition, sales and earnings are higher than one year earlier. We are moving quickly with regard to our plan for growth of the online business in Asia.
- Q. How much did the delay in the “Dragon’s Dogma” launch raise the cost of developing this title?
- A. We cannot provide a specific figure, but there was a small increase.
- Q. Did shifts in market conditions, such as concerns about cannibalization of the social game market, play any role in your decision to postpone the title launch?
- A. Changes in market conditions were not the reason for the postponement. We pushed back the launch because we selected the timing that we believe will maximize sales volume.
- Q. How much of sales in the Mobile Contents business are in Japan and overseas?
- A. Overseas sales are about 60% and Japan is about 40%.

- Q. Why is the overseas sales ratio so high in the Mobile Contents business?
- A. We believe the reason is that we were the first to start operations on a global scale in the social game category. Big hits like “Smurfs’ Village” allowed us to establish our brands in overseas markets ahead of competitors.
- Q. Please explain the life cycle of a social game.
- A. It is too premature to ascertain the life cycle at this time but we assume that it is about two years.
- Q. For social games sold in Japan, what is your stance for development activities and what is the division between tasks performance internally and externally?
- A. Our basic policy is to develop these games internally. Nevertheless, we outsource the development of some titles because of the recent shortage of development resources and our increasing expertise in operating social games due to our collaboration with partner companies.
- Q. What is the status of measures to establish an organization in Europe for developing Beeline games?
- A. We are progressing as planned.
- Q. Can you reach the fiscal year target for the Mobile Contents business?
- A. We believe the target can be reached because titles introduced in the third quarter will make a meaningful contribution to earnings in the fourth quarter.
- Q. Will there be any changes to your title lineup in the next fiscal year in response to your performance in this fiscal year?
- A. We are unable to provide any specific information at this time because we are working on our plan for the next fiscal year. Our basic policy is to constantly perform studies to determine the best timing for introducing new titles in order to maximize sales volume. In the next fiscal year, we plan to launch “Dragon’s Dogma” in May and “Resident Evil 6” in November. We plan to announce launch dates for other titles in April at “Captivate 2012”.
- Q. How much earnings growth do you foresee from downloadable content?
- A. Content that is downloadable can contribute to earnings only after we release packaged software that becomes a hit. Our basic stance is to consider the use of networks for the distribution of a variety of content with regard to all of our major titles. We believe that downloadable content earnings will increase along with the upcoming introductions of major new titles.
- Q. Why did you revise the price of “Resident Evil Revelations” in overseas markets?
- A. We changed the price to a more affordable level to the customers based on current market conditions and our goal of selling this title over an extended period of time.
- Q. Why did you decide to announce the “Resident Evil 6” launch date more than 10 months in advance?
- A. One reason was that progress with development of this game had reached the point where we could make this announcement. In addition, we made the announcement now in order to heighten expectations leading up to the launch of the latest title in Capcom’s most prominent game franchise.

- Q. Why did short-term borrowings increase 5,000 million yen over a three-month period?
- A. Our policy is to procure funds while preserving the proper balance between debt and equity in order to maintain a sufficient level of yen-denominated funds.
- Q. Your medium-term goal is to increase online content sales to 30 billion yen by the fiscal year ending in March 2015. What genre has the highest growth rates?
- A. We believe that the Mobile Contents business has the most growth potential. We expect the second-largest source of growth to be the online console category, which includes downloadable content.
- Q. Will you launch an updated version of “Snoopy’s Street Fair” for Europe and North America in the fourth quarter?
- A. We are unable to provide a specific date, but we will introduce this version at the proper time.
- Q. Please explain how you plan to establish a prominent position in Japan’s social game market.
- A. We will acquire expertise in operating social games by continuing to collaborate with social game service providers and game developers. We will also establish a team of workers with social game operational skills through training and recruiting activities.
- Q. What percentage of people who purchased “Monster Hunter Freedom 3” also purchased “Monster Hunter 3(Tri) G”?
- A. We do not have any figures, but we believe that a large number of Monster Hunter fans have purchased “Monster Hunter 3(Tri) G”.
- Q. In the Mobile Contents business, why was the third quarter sales growth rate lower than in the previous quarter?
- A. There are two reasons. First is the negative impact of foreign exchange rates on overseas performance. Second, we started distributing new titles late in the third quarter, so they did not make a significant contribution to this quarter. We believe that the fiscal year target can be reached due to the substantial contribution from these new titles starting in the fourth quarter.
- Q. In the Mobile Contents business, what is the share of sales from social games in Japan?
- A. We would like to decline disclosing this information. In the Mobile Contents business, social games and content for smartphones account for about 80% of sales worldwide.