

Summary of Q&A at the Conference Call
First-Quarter Consolidated Financial Results of the
Year ending March 31, 2016 (July 30, 2015)

- Q. Regarding the decreases in Mobile Contents and PC Online sales, are there any signs of an improvement in the second quarter? Also, how is “Monster Hunter Frontier G8” performing after the update?
- A. We anticipate a continuation of the decline in current titles in the Mobile Contents business. But we expect to offset this with the upcoming launches of “Monster Hunter Explorer” and other titles. “Monster Hunter Frontier G8” has just been updated, so there are no specific details we can provide at this time.
- Q. Do you expect to receive additional orders in the second quarter for the “Resident Evil 6” pachislo machine?
- A. We sold 19 thousand units in the first quarter and at this time expect sales to surpass our plan of 30 thousand units.
- Q. What is your sales plan for the pachislo model that will follow “Resident Evil 6” and how confident are you of reaching your goal?
- A. We plan to sell 15 thousand units. We will use private viewings for prospective buyers and many actions in order to reach this goal.
- Q. Repeat sales in the Consumer sub-segment seems to be strong in the first quarter. What is your outlook for the second quarter?
- A. First quarter repeat sales (digital download versions) include not only some major titles but also catalogue titles and others, almost 100 titles in all. We foresee firm sales of these previously released titles in the second quarter, too.
- Q. What is your outlook for the digital download sales ratio from the second quarter onward?
- A. In the Consumer sub-segment, we do not anticipate a big change in this ratio from the first quarter. We believe this ratio will remain above 30%.

- Q. Capcom is continuing to cut costs, as in the previous fiscal year. Were there cost-cutting measures in the first quarter?
- A. First quarter selling, general and administrative expenses were about 800 million yen higher than one year earlier. Of this amount, 600 million yen is variable expenses, including sales promotion expenses for new products like the “Resident Evil 6” pachislo machine and “Devil May Cry 4 Special Edition” in the Consumer sub-segment. The remaining 200 million is fixed expenses caused by growth of our workforce. But the selling, general and administrative expense ratio has decreased because first quarter sales are higher than one year earlier. Outsourced development expenses were about 30% of total development expenditures, about the same as the same term last year.
- Q. In Digital Contents, were Mobile Contents and PC Other unprofitable?
- A. Mobile Contents and PC Other did not contribute to earnings in the first quarter.
- Q. Please provide information about full game download sales volume for each platform.
- A. The share of sales is about 40% for PC, 30% for the PlayStation Network, 20% for Xbox Live Arcade and 10% for Nintendo platforms. Japan accounts for less than 10% of these sales.